

Hapvida Participações e Investimentos S.A.

**Parent company and consolidated financial
statements as of December 31, 2023**

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4Q23

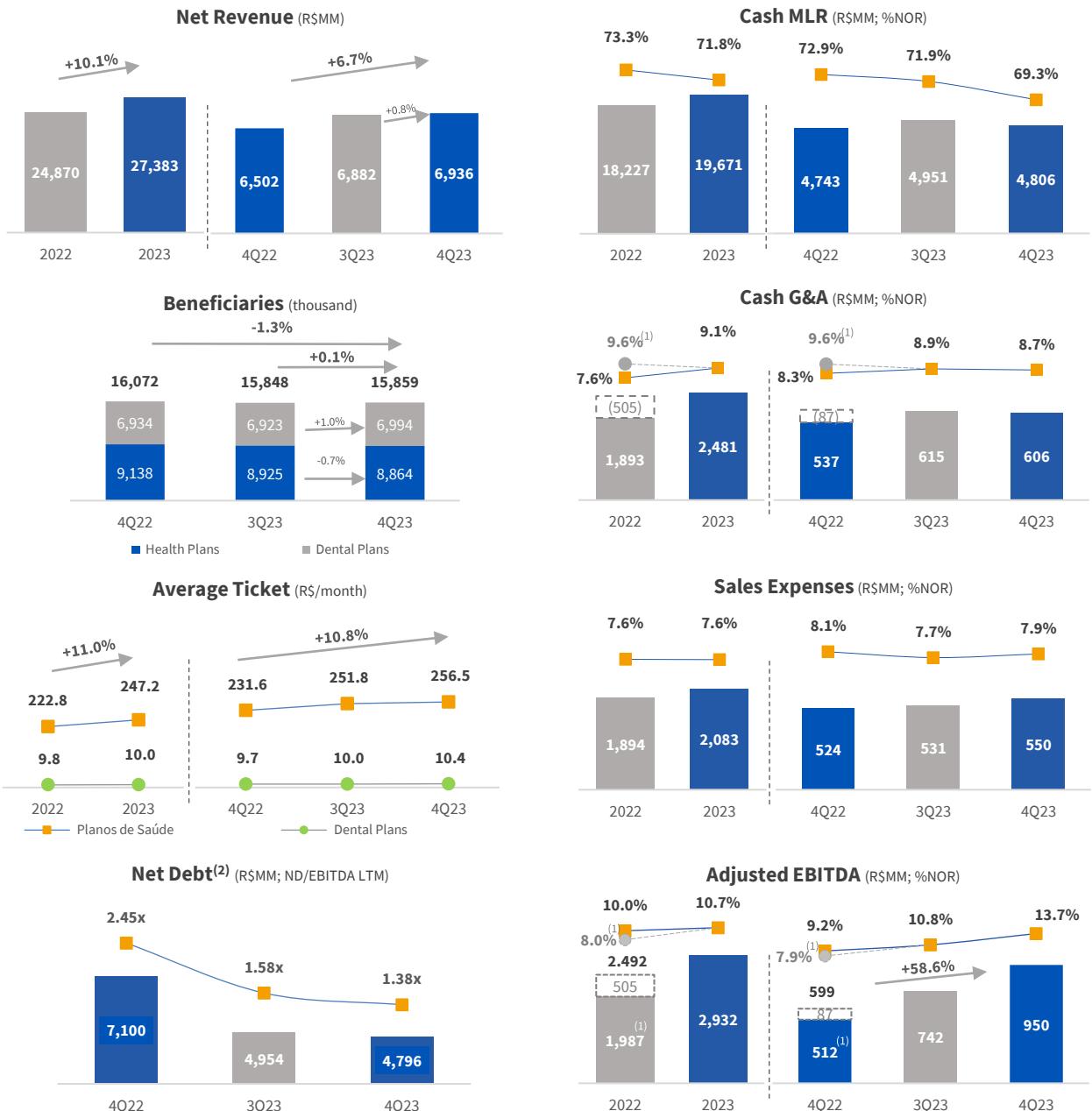
Earnings Release



Summary

Quarter after quarter, we have continued a consistent path of margin recovery and Adjusted EBITDA expansion. This is the result of an orchestrated effort on two main fronts: (i) cost control through verticalization and integration of the acquired companies that now operate under Hapvida's system and (ii) a policy of price readjustment, necessary for the financial balance of the contracts, but attentive to the elasticities of our channels.

In a challenging year in terms of beneficiaries, we grew Net Revenue, had important reductions in Cash MLR and in the Administrative Expenses⁽¹⁾ ratio. We also highlight the robust cash generation and the maintenance of the Company's gradual deleveraging process (now down to 1.38x).

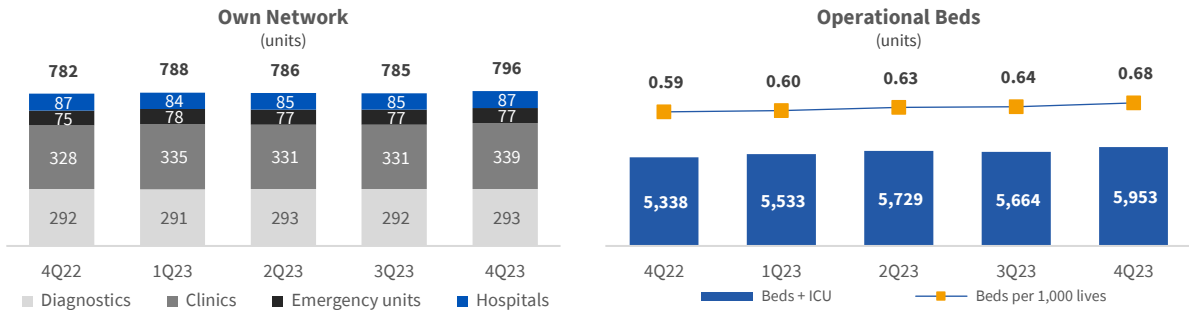


2022 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results
 (1) 3Q22 and 4Q22 excluding the positive impact of R\$417.4 million and R\$87.2 million, respectively, related to the reimbursement of expenses of acquired companies
 (2) Contractual covenant

Operational Highlights

OWN NETWORK

We have once again increased our level of verticalization, ending 2023 with 87 hospitals, 77 emergency units, 339 clinics and 293 diagnostic imaging and laboratory collection units, making a total of 796 of own service points, accessible to our beneficiaries throughout the country.



The expansion of our own network is important not only to maintain an adequate level of cost control in line with the business strategy, which is an important pillar in the accessibility of our products, but mainly because it allows us to better control the care quality indicators, an increasingly important theme for management.

In the period, we added 17 units from the acquisition of HB Saúde and opened 32 new units throughout Brazil. Among the new units, we highlight the opening of 3 hospitals in key regions, 19 clinics, 4 emergency units and 6 diagnostic imaging and laboratory collection units.

In addition, we ended 2023 with a total of 52 units exclusively for Autism Spectrum Disorder (ASD), an important investment for controlling the impact of therapies on the composition of our MLR and internalizing higher quality care. We ended the period with +80% verticalization in the North/Northeast/Midwest operations in ASD therapies and +30% in the South/Southeast with room, therefore, to continue with our internalization efforts.

Throughout 2023, our own and accredited networks carried out 2.0 million daily hospital admissions (+4.9% vs. 2022), 44.1 million outpatient and emergency consultations (+2.2% vs. 2022), 145.1 million imaging and clinical analysis tests (+7.6% vs. 2022) and 27.0 million therapy sessions (+27.8% vs. 2022).



Rio Preto Hospital – São José do Rio Preto/SP – oct'23



Rio Solimões Pediatric Hospital – Manaus/AM – oct'23



Lifecenter Contagem Hospital/MG – apr'23



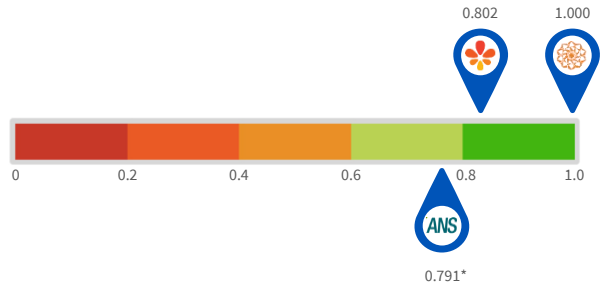
Contorno New Emergency unit – Belo Horizonte/MG – apr'23

QUALITY OF CARE & CARE FOR PEOPLE

The theme of Quality of Care and Care for People of our more than 16 million beneficiaries has increasingly been the keynote of the Company's management, with major efforts contracted throughout 2023 to improve our operation, which is now in continuous integration.

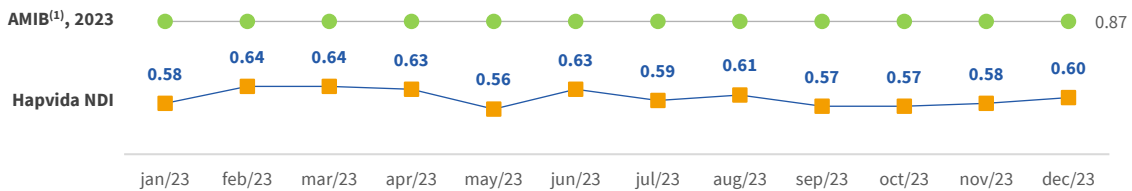
The theme permeates the entire company, becoming part of the management's new variable compensation, which includes quality of care metrics for the entire organization - from care to administration; as well as being a priority for the Board of Directors, which has an exclusive committee to monitor it.

The IDSS (Supplementary Health Performance Index) is an indicator developed by the National Supplementary Health Agency (ANS) for the annual assessment of the performance of Brazilian health plan operators. The Company maintained, for another consecutive year, its high-quality standards measured by the IDSS (base year 2022).



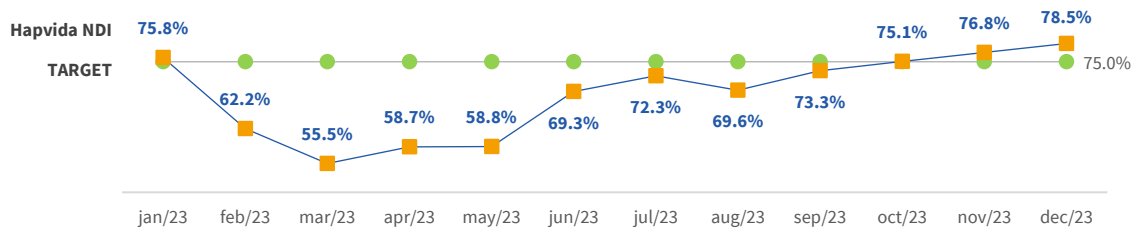
SMR - Standardized Mortality Rate in ICU

The standardized mortality ratio is the ratio between deaths observed in the study group and deaths expected in the general population. The lower the rate, the better.



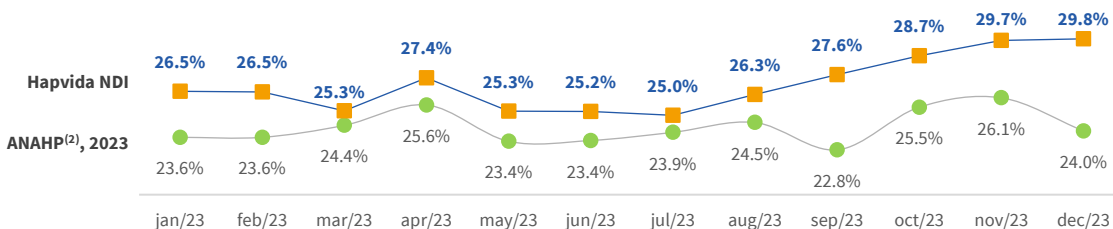
Waiting times in Emergencies

Percentage of services rendered within 15 minutes in emergencies. The higher, the better.



Natural Birth

Rate of natural birth deliveries per total number of deliveries. The higher, the better.



*ANS consists of the weighted average by beneficiaries of the 3 largest operators/insurers
 (1) AMIB - Brazilian Intensive Care Medicine Association (2) ANAHP - National Association of Private Hospitals

RESEARCH, DEVELOPMENT AND EDUCATION

Hapvida NotreDame Intermédica recognizes the importance of research and education as a fundamental pillar for excellence in the practice of medicine. The company has reinforced this commitment by creating the International Institute for Research and Education (IPE) in 2023.

The company invests in generating knowledge and innovation, seeking to improve care practices, develop new technologies and promote better quality and faster treatment for its beneficiaries.

Research and Development

We currently have research in the following areas:

Oncology:

- Breast
- Prostate
- Colon/Rectum
- Lung
- Cervical cancer
- Lymphoma

Neurological:

- Spinal Muscular Atrophy
- Amyotrophic Lateral Sclerosis
- Multiple Sclerosis
- Alzheimer
- Parkinson
- Huntington
- Cerebral Vascular Accident
- Psychiatric

Relevant chronic non-communicable diseases:

- Crohn
- Ulcerative colitis
- Arthritis
- Psoriasis

Our Research Institute has 7 own units, equipped with modern technology and highly qualified professionals. The IPE also has partnerships with renowned institutions, further expanding its research and development capacity.

Our research is fully compliant with the strictures of the National Research Ethics Committee (CNPE), ensuring the protection of participants' rights and respect for ethical principles. We strictly follow the guidelines of the General Data Protection Act (LGPD), guaranteeing the privacy and security of our patients' information.

Education

The education and training of qualified and committed professionals is also part of the company's guidelines, and it invests in its own internship and medical residency programs or in partnership with higher education institutions recognized for their quality and benchmark.

Through IPE, we offer interns and residents the opportunity to experience medical practice in an environment of excellence, under the guidance of experienced professionals and with access to state-of-the-art resources. Immersion in day-to-day care allows residents to develop the skills and knowledge they need to become exceptional professionals, prepared for the challenges of the health market and to contribute to building a healthier future for all.

Currently, we are developing approximately 590 professionals in the most diverse medical specialties such as: gynecology/obstetrics, pediatrics, emergency, surgery, ICU and cardiology, among others.

Progress in the educational and research fields also translates into the production of knowledge. In 2023, 85 publications were made, including 3 in international journals such as "The Lancet". The company also held 3 national scientific congresses and symposia.

ESG – ENVIRONMENT, SOCIAL AND GOVERNANCE



Environment

During 2023, the Company mapped the legal compliance index of the care units present throughout the national territory, through on-site auditing and analysis of the processes implemented, in order to enable the integration of businesses and the improvement of their operation. From there, processes were unified and manuals and procedures were created and disseminated to employees.

In this scenario, the Company, in order to ensure the protection of workers, the preservation of public health and natural resources, prioritized the awareness of employees to the importance and necessity of the topic, so that it enabled mandatory training, through the Learning Portal, where topics such as eco-efficiency (water, energy, composting), regulatory documents and waste management were addressed.

The Company expanded the implementation of the project called "Guardians of the Environment" to 100% of hospital units and Emergency Rooms. The project, which aims to engage employees, enabling them to be multipliers of environmental education. In 2023, more than 1500 employees participated in the Project and acted in a preventive manner through inspection, training and audits in waste disposal processes in order to ensure the daily maintenance of processes and environmental regularity in their respective units. This project is still in operation.



Social

In 4Q23, we continued with development actions for our employees in relation to the Diversity theme, maintaining affinity groups, as well as initiatives and prioritizing themes connected to human rights. Below are our main actions in this period:

- Approval of Hapvida NotreDame Intermédica's Policy Against Harassment and Discrimination;
- Actions to raise awareness of National Black Awareness Day and the International Day for the Elimination of Violence against Women;
- Maintenance of the Women's Channel (Canal Delas), with expansion to serve our entire customer base, in addition to the Company's employees who have been served since 2022;
- Pink October campaign with a talk by the Amor em Mechas Institute, highlighting a social enterprise that impacts several women facing breast cancer and its founder's journey of overcoming the disease, as well as talks by our specialists on breast cancer prevention and care;
- Red December campaign, focused on raising awareness about HIV/AIDS and other STIs (Sexually Transmitted Infections), with the aim of combating stigmas, mainly related to the LGBTI+ population;
- Campaign for International Human Rights Day, presenting Hapvida NotreDame Intermédica's Diversity, Equity and Inclusion Journey and the main achievements in terms of actions and improvements in the representation of historically minoritized groups, especially among the company's leadership;
- Inauguration of the Lactation Room in the Fortaleza/CE administrative building, the first room in a corporate unit available for employees returning from maternity leave to extract and properly store breast milk to take to their children at the end of the working day.



Governance

In 4Q23, the Company reviewed and approved the corporate policies on Compensation, Contracting of Services Outside Audit, Information Security Policy; prepared and approved the work plans and the annual calendar of the meetings of the Governance Bodies for 2024, in addition to the methodology for evaluating its governance bodies and reviewed the scope of the investment process. Based on the mapping carried out during the evaluation of ESG rating agencies in 2023, there was an evolution in the CSA-S&P Global score of 17% and MSCI went from BBB to A, prepared and validated action plans focused on improving governance practices and, consequently, its rating.

The Company completed the project to unify the processes in the area of Privacy and Data Protection, including the approval of the privacy notices and policy and integration of the privacy management system. It also continued the Privacy Champions Program and held another edition of Information Security and Privacy Week, which featured presentations, workshops and the participation of the CEO and IT and HR leaders.

From the perspective of risk management, the corporate risk management matrix was revised, including the collection of perceptions from executives and independent members of the Management, thus directing efforts to critical issues for the Company. In addition, the actions foreseen in the program for the dissemination of the risk management culture (PDCR) were carried out, with corporate training for 4,000+ employees (including internal and outsourced employees) through corporate learning platforms and workshops. The Company also made progress in mapping what is necessary for the adoption of advanced corporate governance practices, with an emphasis on risk management and internal controls, as recommended by Normative Resolution 518 of the Supplementary Health Agency – ANS.

Financial Results

NET REVENUE

In 4Q23, Net Revenue totaled R\$6,935.5 million, an increase of 6.7% when compared to 4Q22.

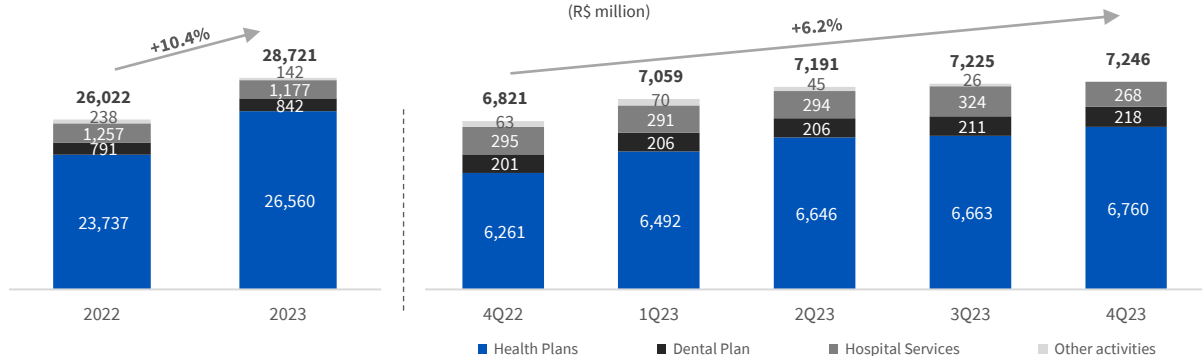
In 2023, Net Revenue totaled R\$27,383.4 million, up 10.1% from the previous year, benefiting mainly from the growth of the Health and Dental Plans business lines, as a result of price readjustments necessary for the financial balance of the contracts and the evolution of the average ticket despite the retraction in the number of beneficiaries and the reduction in Revenue from Hospital Services and Other Activities, as detailed in the section of the same name.

It is important to mention the conclusion of the acquisition of HB Saúde in January'23, which added R\$334.3 million to Net Revenue for the period.

(R\$ million)	4Q23	3Q23	Var. % 4Q23/3Q23	4Q22	Var. % 4Q23/4Q22	2023	2022	Var. % 2023/2022
Health Plans	6,759.8	6,663.3	1.4%	6,261.1	8.0%	26,560.4	23,736.5	11.9%
Dental Plans	218.0	211.4	3.1%	200.7	8.6%	841.8	790.5	6.5%
Hospital Services	268.1	323.6	-17.1%	295.4	-9.2%	1,176.9	1,256.7	-6.3%
Other Activities	-	26.4	-100.0%	63.5	-100.0%	141.7	238.3	-40.6%
Net Revenue	7,245.9	7,224.7	0.3%	6,820.6	6.2%	28,720.7	26,022.0	10.4%
Deductions	(310.3)	(342.8)	-9.5%	(318.2)	-2.5%	(1,337.3)	(1,151.6)	16.1%
Net Revenue	6,935.5	6,881.9	0.8%	6,502.5	6.7%	27,383.4	24,870.4	10.1%

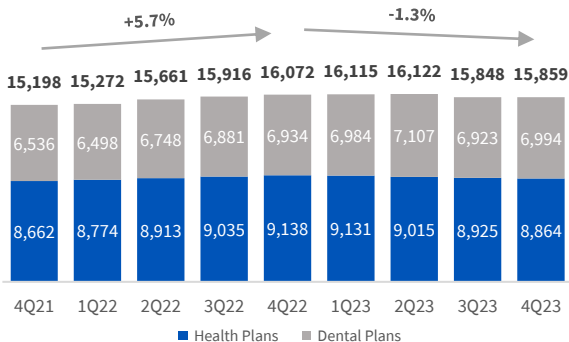
Gross Revenue

(R\$ million)



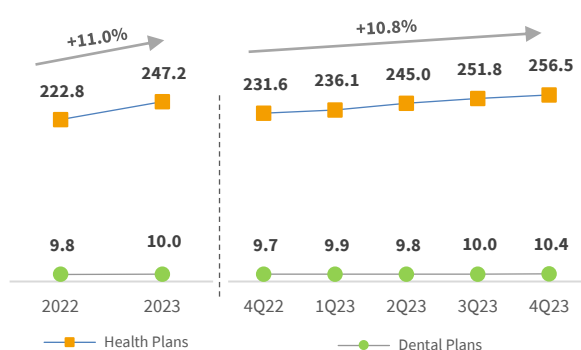
Number of Beneficiaries

(thousand; EoP)



Average Ticket

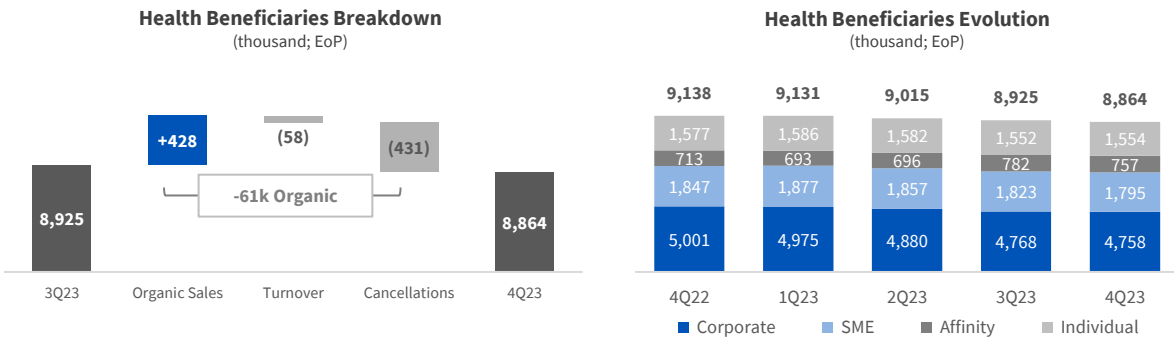
(R\$/month)



HEALTH PLANS

Net revenue from health plans totaled R\$6,759.8 million in 4Q23 and R\$26,560.4 million in 2023, a growth of 8.0% compared to 4Q22 and 11.9% to 2022. This growth is the result of an increase in the average monthly ticket, from R\$231.6 in 4Q22 to R\$256.5 in 4Q23.

Beneficiaries



In 4Q23, we had a net reduction of 61.3 thousand beneficiaries in health plans compared to 3Q23. Among the main aspects that impacted the quarter, we highlight:

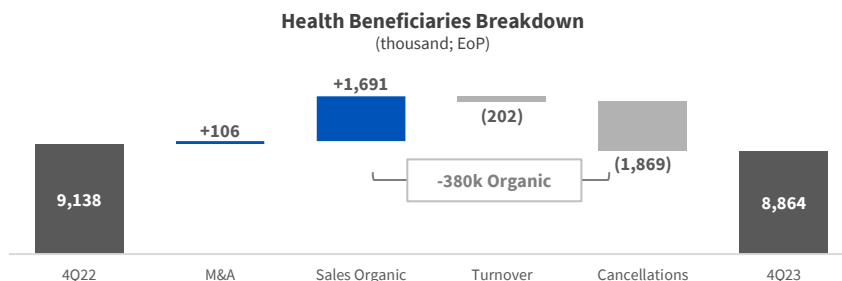
- Addition of 428.2 thousand beneficiaries, as a result of a robust gross sales quarter (211.0k Corporate, 68.5k SME and 148.7k Individual)
- Reduction of 431.3 thousand beneficiaries, reflecting the reduction of loss-making contracts and the increase in cancellations due to delinquency (200.2k Corporate, 118.0k SME and 131.1k Individual/Affinity)
- Net loss of 58.2 thousand lives due to negative turnover (net dismissals and admissions within existing corporate contracts)

At the end of 4Q23, the company had 441,400 beneficiaries in preferred provider organization plans (PPO), a net reduction of 21,100 compared to 3Q23 and 49,100 compared to 4Q22, the result of a strategy to rationalize this portfolio.

In 2023, we had a net reduction of 273.9 thousand beneficiaries in health plans, of which 379.6 thousand were organic, partially offset by the addition of 105.7 thousand lives from HB Saúde.

Among the main aspects that impacted the year, we highlight:

- Addition of 1,691.4 thousand beneficiaries, the result of dynamic and robust gross sales (760.6k Corporate, 362.5k SME and 568.4k Individual/Affinity)
- Loss of 1,869.3 thousand beneficiaries reflecting the increase in delinquency, a challenging macroeconomic environment impacting certain sectors to which the Company has greater exposure and the reduction of loss-making contracts (936.2k Corporate, 438.4k SME and 494.7k Individual/Affinity)
- Net loss of 201.8 thousand beneficiaries due to still negative turnover (firings minus hirings in existing corporate contracts), also impacted by our sector exposure

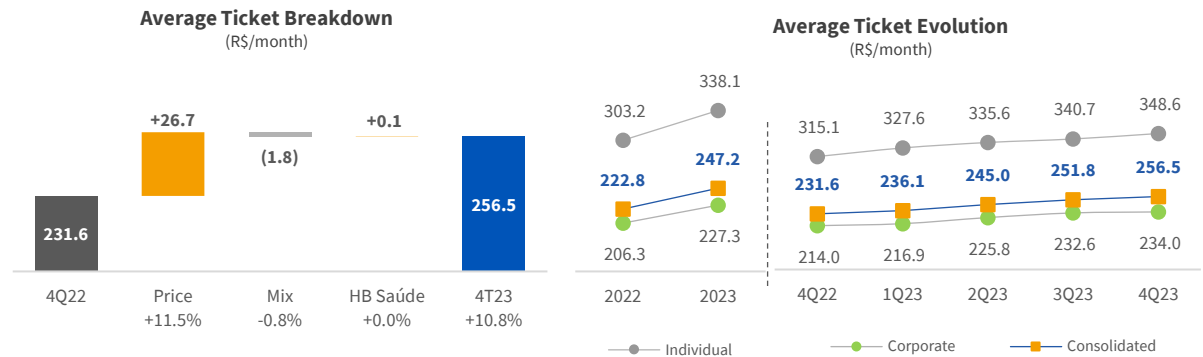


HEALTH PLANS

Average ticket

The consolidated average health ticket increased by 10.8%, reflecting the strategy of repricing and reviewing the client portfolio, in line with our portfolio profitability and sustainability strategy. As a result, we had the following impacts on the evolution of the average ticket over the quarters:

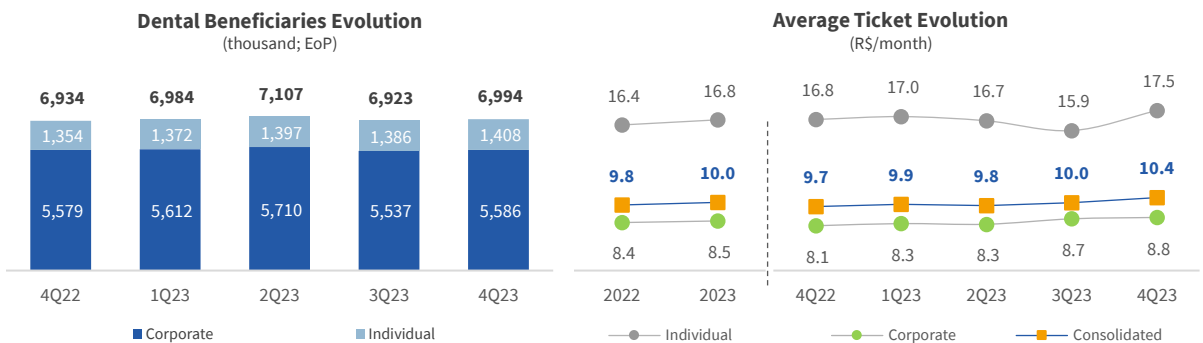
- 11.5% result of readjustments to existing contracts necessary for their financial balance
- -0.8% net negative impact of the mix of sales and cancellations, due to the departure of customers with a higher average ticket but higher MLR, being replaced by new customers with a lower average ticket but expected lower MLR



DENTAL PLANS

In 4Q23, revenue from Dental Plans reached R\$218.0 million, an increase of 8.6% compared to 4Q22. This was the result of an increase of 65.3 thousand average beneficiaries and the average monthly ticket, which rose from R\$9.7 in 4Q22 to R\$10.4 in 4Q23.

In 2023, revenue from Dental Plans reached R\$841.8 million, an increase of 6.5% compared to 2022, as a result of the increase of 287.6 thousand average beneficiaries and the average monthly ticket, which went from R\$9.8 in 2022 to R\$10.0 in 2023.



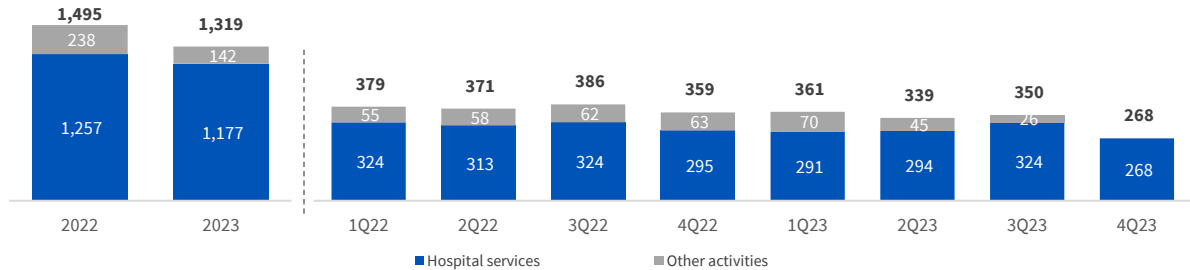
During 4Q23, the Company added 71.7 thousand lives organically. Thus, in 2023 there was an increase of 60.7 thousand lives, 36.5 thousand of which were organic and 24.2 thousand from HB Saúde.

It is important to point out that the Cash MLR of the dental plans' operation remains under control year after year, allowing for lower readjustments and competitive prices, expanding the cross-selling and loyalty strategy.

Hospital Services & Other Activities

In 4Q23, revenue from Hospital Services and Other Activities totaled R\$268.1 million, a decrease of 23.4% compared to 4Q22.

Gross Revenue from Medical and Hospital Services & Other Activities
(R\$ million)



In 2023, revenue from Hospital Services and Other Activities reached R\$1,318.6 million, a reduction of 11.8%, or R\$176.4 million, compared to 2022. This variation was due to reductions in:

- **R\$96.6 million** in Other Activities due to the divestments of São Francisco Resgate and Maida Health; and
- **R\$79.8 million** in Hospital Services, where in addition to reflecting seasonality, we were also more selective in offering services to third parties, reducing our exposure to credit risk while taking the advantage to seek organic growth in beneficiaries in regions where we have idle capacity.

MEDICAL COSTS AND CASH MLR

Total cost of services comprises Cash Medical Losses, Depreciation and Amortization (D&A), IBNR (Incurred But Not Reported) provisions, SUS provisions, and Medical Cash Accounts as detailed below:

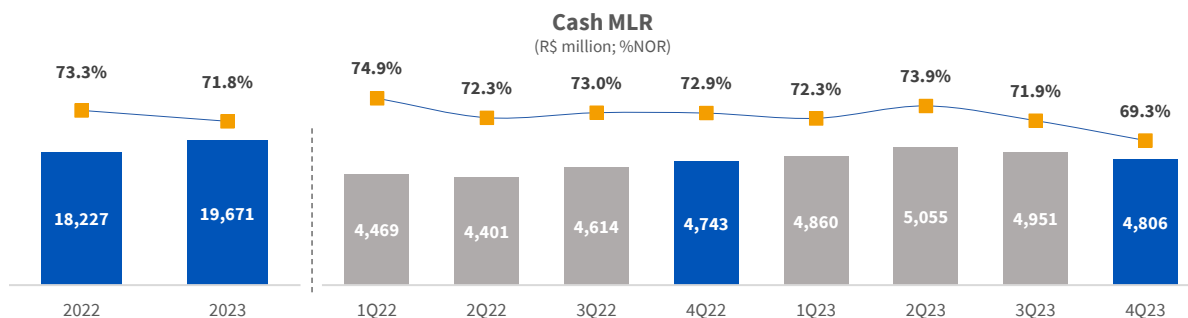
(R\$ million)	3Q23	2Q23	Var. % 3Q23/2Q23	3Q22	Var. % 3Q23/3Q22	3Q23	2Q23	Var. % 3Q23/2Q23
IBNR	(41.1)	(8.0)	416.1%	44.1	-193.2%	(22.0)	56.0	-139.4%
SUS Reimbursement	65.1	51.1	27.5%	55.4	17.6%	236.9	308.7	-23.3%
Depreciation and Amortization	109.8	105.6	3.9%	154.5	-28.9%	428.5	512.9	-16.5%
Cash Medical Losses	4,805.5	4,950.7	-2.9%	4,743.3	1.3%	19,671.4	18,227.0	7.9%
Cash MLR	0.7	0.7	-264.9%	0.7	-365.8%	0.7	0.7	-145.1%
Total Medical Costs	4,939.3	5,099.4	-3.1%	4,997.3	-1.2%	20,314.7	19,104.6	6.3%

In 2023, we notice:

- **R\$22.0 million** in Reversal of IBNR, as a result of increased verticalization, especially in the NDI vertical, and improvement in the profile of the cost of care in the accredited network
- **R\$71.8 million** reduction in the SUS provision according to the receipt of the charges sent by ANS

Cash MLR

Cash MLR is the most important item in the cost of services provided and reflects the actual cost of care. It is the line most affected by cost control initiatives, increases or decreases in the level of utilization, verticalization and seasonality of the business.

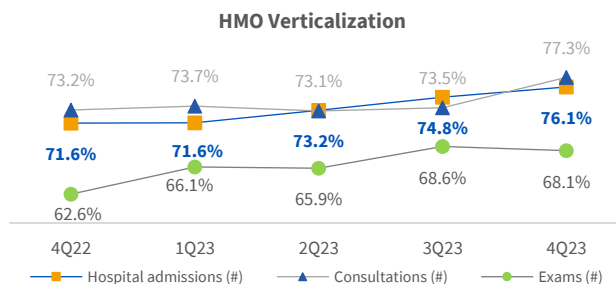


In 4Q23, the Cash MLR (which excludes D&A, IBNR and SUS Provision) was 69.3%, a disciplined reduction of 3.6 p.p. and 2.6 p.p. compared to 4Q22 and 3Q23, respectively.

It is important to point out that the 4Q23 reduction in Cash MLR compared to 2Q23 of 4.6 p.p. was better than the historical pro forma average⁽¹⁾ of 3.3 p.p. The decrease captured was superior to the implicit seasonality and reflects the successful price readjustment trajectory (still in progress), as well as the increase in verticalization, standardizing protocols and controlling costs from the integration of our operations in Minas Gerais and in the South of Brazil. Full year Cash MLR decreased by 1.5p.p..

We also point out that the consolidated Cash MLR was negatively impacted by 2.0 p.p. by our operations in RJ, MG, and in the South.

Frequency of use has remained high since 2022, including a considerable increase in therapies, which went from 0.17 procedure per beneficiary in 1Q22 to 0.25 in 4Q23. In any case, we have been able to reduce our exposure to medical inflation in the accredited network by intensifying verticalization efforts in consultations, hospitalizations and exams carried out in our own network, as shown on this page, which also brings more agility, quality and uniformity to the care provided to our beneficiaries.



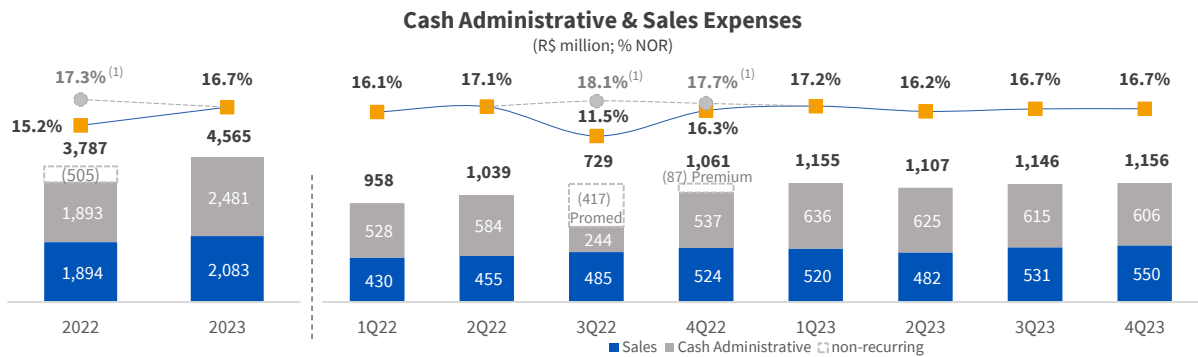
2022 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results

(1) Considering the average for the years 2017, 2018 and 2019 from the combination of the information disclosed by Hapvida Participações and NotreDame Intermédica for Cash MLR

ADMINISTRATIVE & SALES CASH EXPENSES

Sales, General & Administrative Cash Expenses – Cash SG&A for 4Q23 amounted to R\$1,156.3 million (16.7% ROL), a dilution of 1.0 p.p. compared to 4Q22 (excluding the one-off effect of the Premium price adjustment).

In 2023, SG&A totaled R\$4,564.8 million (16.7% NOR), a dilution of 0.6p.p. compared to 2022 (excluding the one-off effects of the Premium and Promed price adjustment).



Cash Administrative Expenses

(R\$ million)	4Q22	1Q23	2Q23	3Q23	4Q23
Personnel	291.6	285.6	283.2	287.8	237.8
Third Party Services	182.6	174.2	171.5	190.3	165.3
Occupation and Utilities	78.1	77.5	72.7	72.6	93.9
Contingencies & Taxes	63.3	95.0	118.9	96.6	122.1
Other (revenue)/expenses	(78.5)	3.3	(21.4)	(32.4)	(12.9)
Cash G&A	537.1	635.5	624.8	614.9	606.3
%NOR	8.3%	9.4%	9.1%	8.9%	8.7%

In 4Q23, Cash Administrative Expenses totaled R\$606.2 million, a nominal reduction of R\$8.6 million compared to 3Q23 (0.2 p.p.). The main positive impacts were:

- **R\$49.9 million** in Personnel, due to (i) the one-off reversal of R\$40.0 million in variable compensation provisioned during the year, which included employees who are no longer part of the company and the partial achievement of targets; and (ii) the reallocation of R\$9.6 million to sales expenses
- **R\$25.0 million** in Third Party Services, which have been showing a consistent reduction throughout the year, reflecting the gradual capture of synergies from the merger. Compared to the previous quarter, additional and one-off expenses occurred in 3Q23 with acquired companies, including services related to systems implementation (MG, RJ and South) and integration consultancies totaling R\$18.9 million, which were not repeated in 4Q23

And they were partially offset by:

- **R\$25.5 million** in Contingencies and Taxes, in line with previous quarters. It is important to note that 3Q23 was positively impacted by the reversal of R\$20 million in Promed contingencies following the price adjustment agreement
- **R\$21.2 million** in Occupation and Utilities, mainly due to an additional infrastructure load of the newly integrated units, which are now running internally in terms of maintenance, processing and storage, links and non-recurring expenses related to the implementation of systems in the South, Rio de Janeiro and Minas Gerais

2022 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results

(1) 3Q22 and 4Q22 excluding the positive impact of R\$417.4 million and R\$87.2 million, respectively, related to the reimbursement of expenses under the purchase and sale agreement of companies acquired by the Company, Promed and Premium

ADMINISTRATIVE & SALES CASH EXPENSES

Sales Expenses

(R\$ million)	4Q22	1Q23	2Q23	3Q23	4Q23
Commission	301.6	321.4	306.0	334.9	332.1
Provision for credit losses	153.7	154.1	126.0	131.2	138.9
Marketing & Advertise	35.7	12.4	11.3	20.0	25.1
Personnel	27.8	29.3	34.3	33.4	43.1
Other expenses	5.0	2.9	4.4	11.7	10.9
Sales Expenses	523.9	519.9	482.0	531.2	550.0
%NOR	8.1%	7.7%	7.0%	7.7%	7.9%

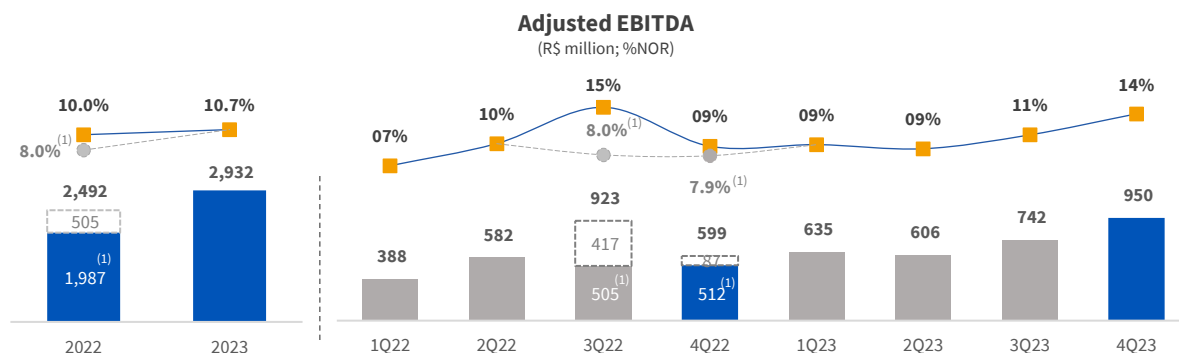
In 4Q23, we saw an increase in the Sales Expenses lines compared to 3Q23, except for the Commissions and other expenses lines, summarized below:

- **R\$9.6 million** reclassification of Personnel, where we reallocated from administrative expenses to sales, of which R\$7.2 million was retroactive from January to September'23
- **R\$7.7 million** in Provision for loan losses (PDD), mainly impacted by a specific client who, after contract cancellation, we reduced the expectation of receipt by R\$6.0 million
- **R\$5.1 million** in Marketing & Advertise, the result of marketing campaigns concentrated in the second half of the year in an effort to strengthen the brand in all regions

ADJUSTED EBITDA

2023 Adjusted EBITDA reached R\$2,932.4 million (10.7% NOR), an increase of R\$945.1 million, 47.6% higher and a 2.7p.p. margin expansion when compared to 2022 - excluding the non-recurring and non-cash effects of Premium and Promed in 2022, as shown in the chart below in both ways.

In 4Q23, we reported R\$959.7 million in Adjusted EBITDA with a margin of 13.7%, the highest since the business combination, reflecting growth of 28.0% compared to 3Q23 and 85.7% compared to 4Q22 - excluding the one-off effect of Premium's price adjustment.

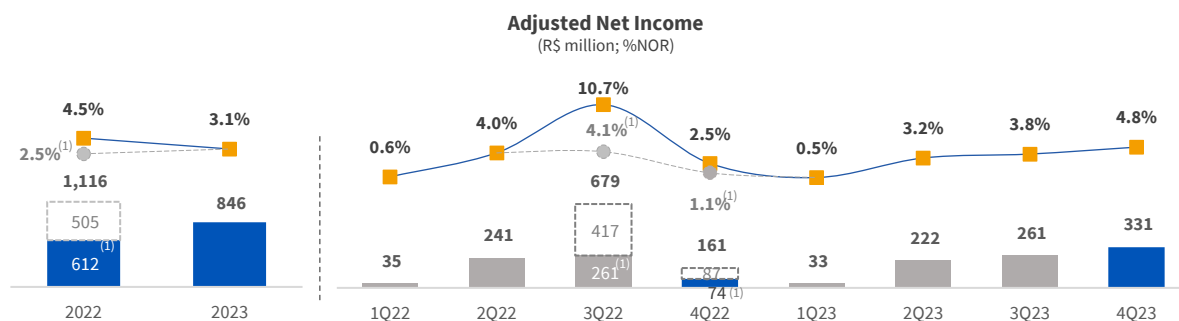


When we compare 2023 with 2022, excluding the effects of Premium and Promed⁽¹⁾, we highlight:

- Increase of 10.1% in net revenue, reflecting the contract readjustments implemented, which were necessary for financial rebalancing, despite the reduction in the beneficiary base and the discontinuation of ancillary activities (Resgate and Maida Health)
- Reduction of 1.5p.p. in the Cash MLR
- Dilution of 0.6p.p. in Cash Administrative Expenses

ADJUSTED NET INCOME

Adjusted Net Income totaled R\$845.6 million in 2023, an increase of R\$234.3 million compared to 2022 - excluding the non-recurring and non-cash effects of Premium and Promed.



(R\$ million)	4Q23	3Q23	Var. % 4Q23/3Q23	4Q22	Var. % 4Q23/4Q22	2023	2022 ⁽¹⁾	Var. % 2023/2022 ⁽¹⁾	2022
Net Income (Losses)	(29.9)	(206.7)	-85.6%	(316.7)	-90.6%	(739.2)	(1,370.9)	-46.1%	(866.3)
(+) Long term Incentive Plan (LTIP) and SOP	(20.5)	35.3	-158.0%	69.8	-129.4%	61.7	486.3	-87.3%	486.3
(+) Intangible Amortization	380.9	372.0	2.4%	408.2	-6.7%	1,463.4	1,496.4	-2.2%	1,496.4
(+) Non-recurring expenses	-	60.4	100.0%	-	100.0%	60.4	-	100.0%	-
Adjusted Net Income	330.5	261.0	26.6%	161.4	104.8%	846.2	611.8	38.3%	1,116.4
(+) Income tax and social contribution	141.3	(59.0)	-339.7%	(299.7)	-147.1%	66.2	(691.2)	-109.6%	(691.2)
(+) Financial result	306.5	371.4	-17.5%	515.7	-40.6%	1,354.9	1,346.9	0.6%	1,346.9
(+) Depreciation and Amortization	171.4	168.5	1.7%	221.3	-22.5%	665.1	719.8	-7.6%	719.8
Adjusted EBITDA	949.7	742.0	28.0%	598.7	58.6%	2,932.4	1,987.3	47.6%	2,491.9
% margin	13.7%	10.8%	2.9pp	9.2%	4.5pp	10.7%	8.0%	2.7pp	10.0%

2022 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results

(1) 3Q22 and 4Q22 excluding the positive impact of R\$417.4 million and R\$87.2 million, respectively, related to the reimbursement of expenses under the purchase and sale agreement of companies acquired by the Company, Promed and Premium

FINANCIAL RESULT

The net financial result totaled a net expense of R\$306.5 million in 4Q23, a reduction of R\$64.8 million or 17.5% compared to the net expense of R\$371.4 million presented in 3Q23.

(R\$ million)	4Q23	3Q23	Var. 4Q23/3Q23	4Q22	Var. 4Q23/4Q22
Income from investments	184.1	208.0	(23.9)	112.7	71.4
Late payments penalties	31.9	28.6	3.3	24.6	7.3
Indexation credits - SUS	17.7	20.6	(2.8)	16.9	0.8
Indexation credits - Other	18.4	30.5	(12.1)	13.8	4.5
Derivative instruments - Equity	1.7	7.7	(5.9)	1.3	0.4
Exchange Revenue	11.1	(9.4)	20.5	0.0	11.0
Other financial revenues	7.2	2.3	4.9	3.7	3.5
Financial Revenues	272.0	288.1	(16.1)	173.0	99.0
Interest on debentures and loans	(339.9)	(437.7)	97.7	(444.4)	104.4
Interest on leases	(86.0)	(86.3)	0.3	(100.5)	14.5
Indexation charges - Other	(98.7)	(85.7)	(12.9)	(99.0)	0.3
Derivative instruments - Equity	(7.4)	(6.6)	(0.9)	(20.9)	13.5
Bank expenses	(8.1)	(8.3)	0.2	(11.7)	3.6
Other finance expenses	(38.5)	(34.9)	(3.6)	(12.3)	(26.2)
Financial Expenses	(578.6)	(659.5)	80.9	(688.7)	110.2
Net Financial Result	(306.5)	(371.4)	64.8	(515.7)	209.2

Financial Revenue fell by R\$16.1 million, from R\$288.1 million in 3Q23 to R\$272.0 million in 4Q23, impacted mainly by the reduction in the basic interest rate, which had a negative impact on:

- **R\$14.9 million** in Indexation credits (others and SUS)
- **R\$23.9 million** in Income from financial Investments

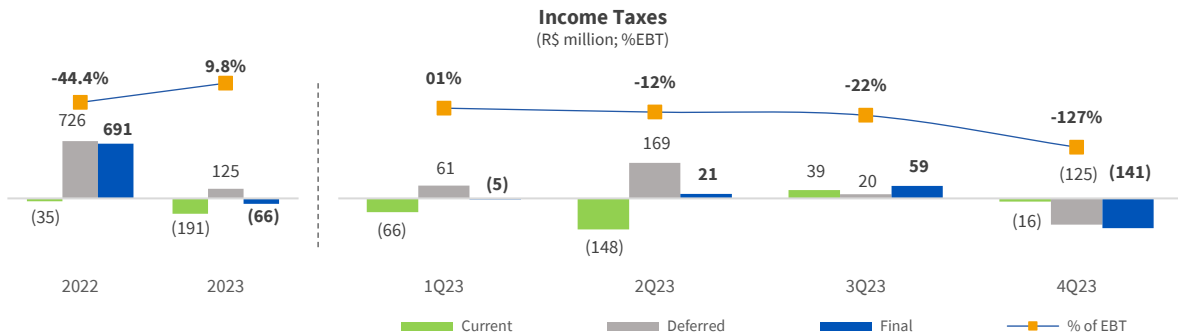
These results were partially offset by gains of R\$20.5 million in exchange variation income, due to the positive variation in the BRL x USD parity between the 3rd and 4th quarters, based on a debt of US\$50.0 million. This debt is hedged to protect against the exchange rate variation, which is recorded in the hedge instruments account along with other instruments of the same nature.

Financial Expenses reduced R\$80.9 million, from R\$659.5 million in 3Q23 to R\$578.6 million in 4Q23, mostly explained by the reduction of R\$97.7 million in Interest on debentures and loans, as a result of:

- **R\$62.5 million** of one-off adjustment with no cash effect relating to the exchange of Ultra Som's CRI swap that occurred in 3Q23 and had no effect in 4Q23
- Reduction in gross debt due to amortizations in 3Q23 and 4Q23 (noting that the Company's 5th issue of debentures, worth R\$1.0 billion, was settled in the last days of December)
- Reduction of the basic interest rate

This item was partially offset by the increase in expenses for Indexation Credits on Contingencies and Retained Installments.

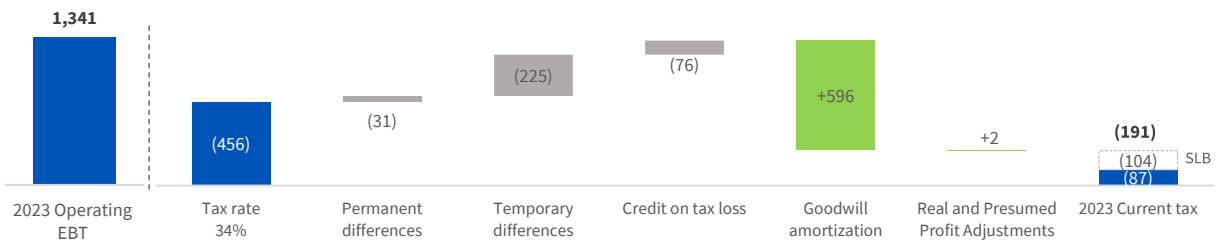
INCOME TAXES



The consolidated Income Taxes line is the result of the individual assessment of the companies controlled by the Company, including the holding company, which may show a profit or loss in certain periods, as well as the effects of eliminations and consolidations. This means that there may be a negative tax rate on a consolidated basis, but positive current income tax rates when looked at individually, for example.

(R\$ million)	Operational	Controlling	Consolidated
Current	(190.7)	0.0	(190.7)
Deferred	(470.0)	594.6	124.5

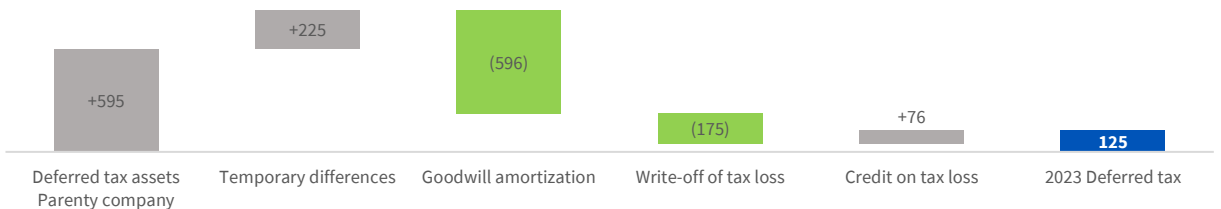
Current Tax - Operating



In 2023, the Operating entities had a Current Tax of R\$190.7 million, mainly as a result of the gradual resumption of operating performance, of which R\$103.9 million from the Sale & Leaseback operation, R\$71.2 million from the NDI vertical and R\$15.6 million from the Hapvida vertical. We point out the tax amortization of goodwill and value added from acquisitions incorporated up to December 23 as the main reducer of current tax, despite the impact of:

- **R\$225.3 million** in Temporary Differences on the movement of provisions. This year, we mainly had an impact on the Re-SUS provisions and the right of use base difference, which will be recovered after payment or reversal
- **R\$76.2 million** deferred credit on tax losses that will be used in future years

Deferred Tax - Operating



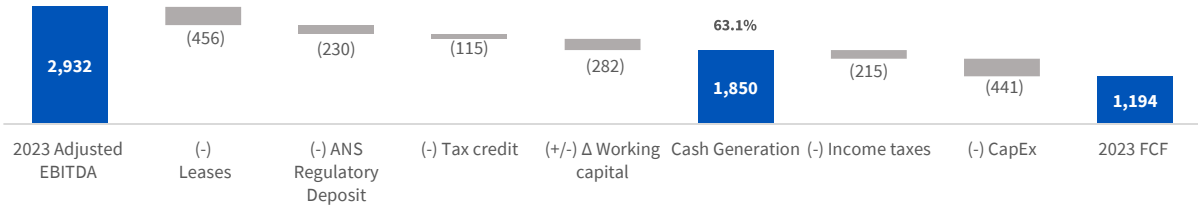
In 2023, Hapvida Participações e Investimentos S.A. (parent company) generated R\$594.6 million in deferred tax asset, of which R\$344.7 million in deferred tax on tax losses and R\$250.4 million on value added from the business combination with NotreDame Intermédica, which will be used after the corporate merger of the operating entities. A tax loss of R\$175.3 million was also written off as a result of the mergers of Ultra Som, H. Antônio Prudente and S.F. Rede Assistencial.

2022 data include the simple sum of the January'22 numbers of BCBF Participações S.A. to the Hapvida Investimentos e Participações results

2023 CASH FLOW

The company's net cash increased by R\$2,052.2 million in 2023, from R\$5,864.7 million in December'22 to R\$7,889.9 million in December'23. This variation was due to the generation of R\$1,194.2 million from Free Cash Flow and R\$1,236.0 million from Financing Activities, which were partially consumed by the negative result of R\$404.9 million in M&A Activities.

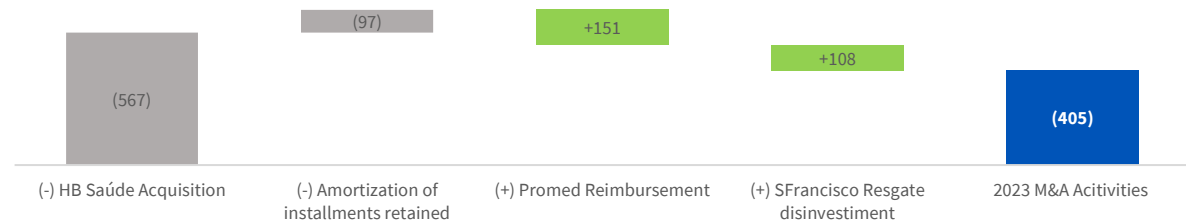
Free Cash Flow



Free Cash Flow was positive at R\$1,194.2 million and Cash Generation of R\$1,849.5 million, representing 63.1% of Adjusted EBITDA 2023, returning to historical levels. The main uses of cash include:

- **R\$455.6 million** in Leases referring to rental contracts, which increased during the year following the Sale & Leaseback operation
- **R\$229.9 million** ANS Regulatory Deposit to cover Re-SUS charges
- **R\$115.1 million** in Tax Credits from quarterly advances and withholding taxes, such as income tax on financial investments and interest on equity. These credits are recorded in assets (Taxes recoverable) and will be used in subsequent years, reducing future tax payments
- **R\$214.6 million** in income taxes, although the current tax was R\$190.7 million, there is a shift between the calculation and the actual disbursement (cash disbursement of income taxes in January'23 referring to December'22, for example)
- **R\$440.7 million** in CapEx, consistent with the strategy of preserving cash and deleveraging, while guaranteeing the quality and integrity of our own network, including new units such as the 3 hospitals, 19 clinics and 52 ASD rooms that we inaugurated in 2023

M&A Activities



M&A activities had a cash consumption of R\$404.9 million in 2023:

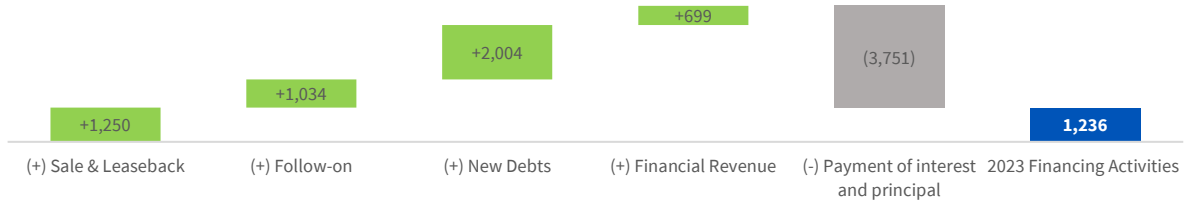
- **R\$567.4 million** from the acquisition of HB Saúde in January'23. This amount is net of a R\$630.6 million disbursement to the sellers and a R\$63.3 million cash balance
- **R\$97.1 million** Amortization of the installments retained of the acquisitions made by the Company during the year

Partially offset by receipts from:

- **R\$151.1 million** in Reimbursement of Promed expenses in 3Q23
- **R\$108.4 million** from the sale of the São Francisco Resgate operation in August'23. This divestment allows us to remain focused on the Company's core operations

2023 CASH FLOW

Financing Activities



The Company's Financing Activities were in surplus of R\$1,236.0 million, mainly explained by:

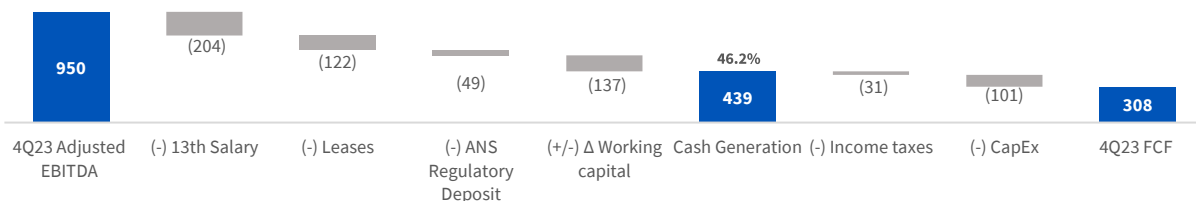
- **R\$1,250.0 million** resulting from the Sale & Leaseback operation in May'23, in which 10 care properties were sold. The capitalization rate was 8.5% p.a., adjusted annually by the IPCA, with a buyback option in years 3 and 5
- **R\$1,034.4 million** from the 3rd Follow-on in April'23 to further strengthen the company's cash position
- **R\$2,004.0 million** raised through the issue of debentures and loans to extend maturities to 2023
- **R\$699.1 million** in Financial Revenue, a yield of 12.1% on the company's weighted cash, slightly below the CDI rate due to the deterioration of the credit market in 1Q23

And they were partially offset by payments of R\$3,751.4 million in interest and principal.

4Q23 CASH FLOW

In 4Q23, the company's net cash increased by R\$765.0 million compared to 3Q23, from R\$7,124.9 million to R\$7,889.9 million. This variation was due to the generation of R\$308.0 million from Free Cash Flow and R\$504.5 million from Financing Activities, which was partially offset by the payment of R\$47.5 million in retained installments from acquisitions.

Free Cash Flow

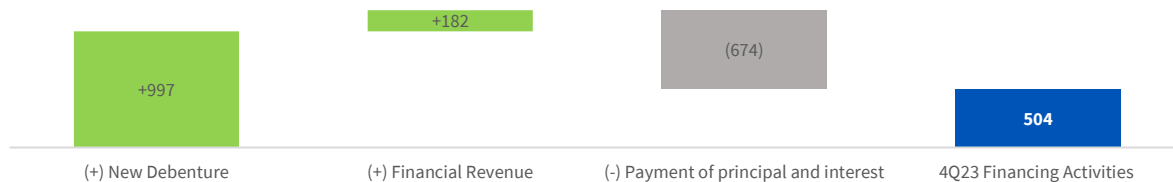


The company had a positive free cash flow of R\$308.0 million and Cash Generation of R\$439.1 million, representing 46.2% of Adjusted EBITDA in 4Q23. Among the main uses we highlight:

- **R\$203.6 million** for the payment of the 13th salary, provisioned throughout the year. Excluding this event, 4Q23 Cash Generation would represent 67.7% of Adjusted EBITDA
- **R\$121.5 million** in Leases referring to rental contracts, which increased during the year following the Sale & Leaseback operation
- **R\$48.7 million** ANS Regulatory Deposit to cover Re-SUS charges

4Q23 CASH FLOW & NET DEBT

Financing Activities



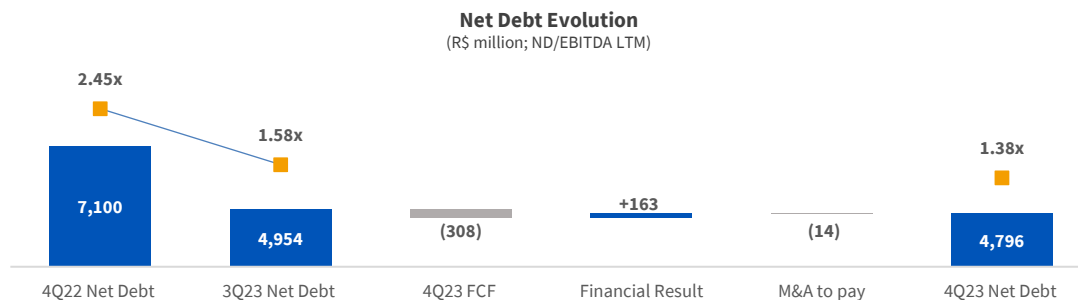
In 4Q23, the Company had positive Financing Activities of R\$504.5 million:

- **R\$996.6 million** from the 5th issue of debentures by Hapvida Participações e Investimentos S.A. to cover the maturity of the Company's 4th issue, in February'23, with a balance of R\$838.3 million
- **R\$181.7 million** in Financial Revenue, yielding 2.8% on the company's weighted cash, equivalent to 100% of the CDI rate for the period

Partially offset by the payment of R\$673.8 million in principal and interest.

Net Debt

In 4Q23, the company's Net Debt reached 1.38x EBITDA (R\$4,795.9 million - contractual covenant), a significant reduction compared to 2.45x EBITDA (R\$7,099.7 million) in 4Q22 and 1.58x EBITDA (R\$4,954.3 million) in 3Q23 mainly due to (i) the Cash Generation above the Financial Result and (ii) the increase in EBITDA LTM from R\$3,133.8 million in 3Q23 to R\$3,482.6 million in 4Q23.



Net Debt/EBITDA LTM calculation according to the issue deeds (contractual covenant):

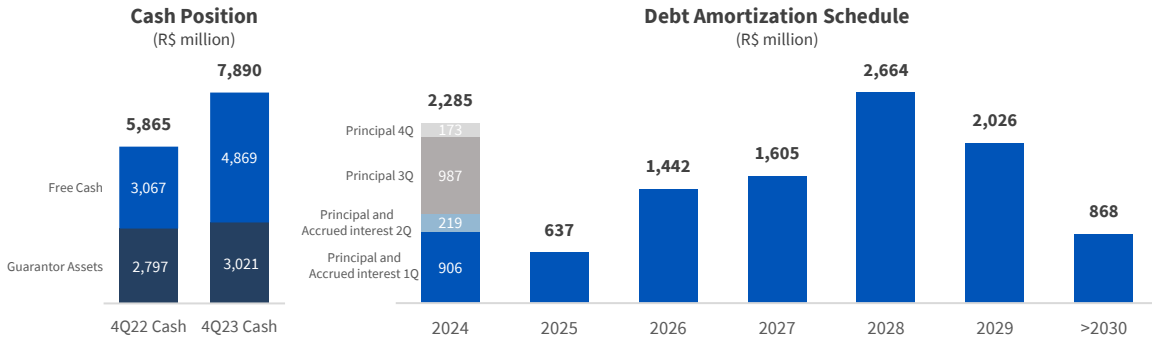
(R\$ million)	4Q23	3Q23	Var. R\$	Var. %
Loans, financing and debentures	11,526.4	10,898.2	628.2	5.8%
Installments retained from acquired companies	1,110.9	1,137.5	(26.6)	-2.3%
Derivative financial instruments	48.4	43.4	5.0	11.5%
Gross Debt	12,685.8	12,079.2	606.6	5.0%
(-) Cash and cash equivalents and Investments	(7,889.9)	(7,124.9)	(765.0)	10.7%
Net Debt	4,795.9	4,954.3	(158.5)	-3.2%
EBITDA LTM ¹	3,482.6	3,133.8	348.8	11.1%
Net Debt/ EBITDA LTM	1.38x	1.58x		

(1) EBITDA LTM comprises Adjusted EBITDA without the effect of provisions for impairment of accounts receivable.

DEBT

There was no change in the duration (average term of 3.1 years) of the debt, with the equivalent cost remaining practically stable between 3Q23 and 4Q23 (from CDI+1.55% p.a. to CDI+1.56% p.a.). At the end of December'23 debentures totaling R\$1.0 billion were issued, extending the maturities of 1Q24 at a cost of CDI+1.75% maturing in December 2028.

Below is the current debt amortization schedule (Loans, Financing and Debentures).



REGULATORY REQUIREMENTS

Technical Provisions / Guarantor Assets

Free cash flow went from R\$4,099.0 million in 3Q23 to R\$4,869.1 million at the end of 4Q23, an increase of R\$770.0 million. This variation was mainly due to the increase in cash and financial investments with the company's 5th debenture issue.

(R\$ million)	4Q23	3Q23	Var. R\$	4Q22	Var. R\$
Required Technical Provisions	3,139.8	3,145.5	(5.7)	3,031.7	108.1
(+) SUS Provisions (net of judicial deposits)	1,383.5	1,405.1	(21.6)	1,280.7	102.7
(+) IBNR Provision	990.2	1,031.3	(41.1)	998.8	(8.5)
(+) Outstanding claims reserve	762.6	705.2	57.4	748.0	14.6
(+) Reserve for benefit granted	3.5	3.9	(0.4)	4.2	(0.7)
Assets	8,008.9	7,244.6	764.3	6,099.2	1,909.7
(+) Cash and financial investments	7,889.9	7,124.9	765.0	5,864.7	2,025.2
(+) Real estate pledged	119.0	119.7	(0.7)	234.5	(115.6)
Free Cash	4,869.1	4,099.0	770.0	3,067.5	1,801.6

Required Technical Provisions were practically stable, rising from R\$3,145.5 million in 3Q23 to R\$3,139.8 million in 4Q23.

Cash and financial investments increased by R\$765.0 million in 4Q23, positively impacted by:

- **R\$1.0 billion** raised by the 5th debentures issue
- **R\$308.0 million** generated from Free Cash Flow
- **R\$181.7 million** in income from financial investments

And with negative impacts of:

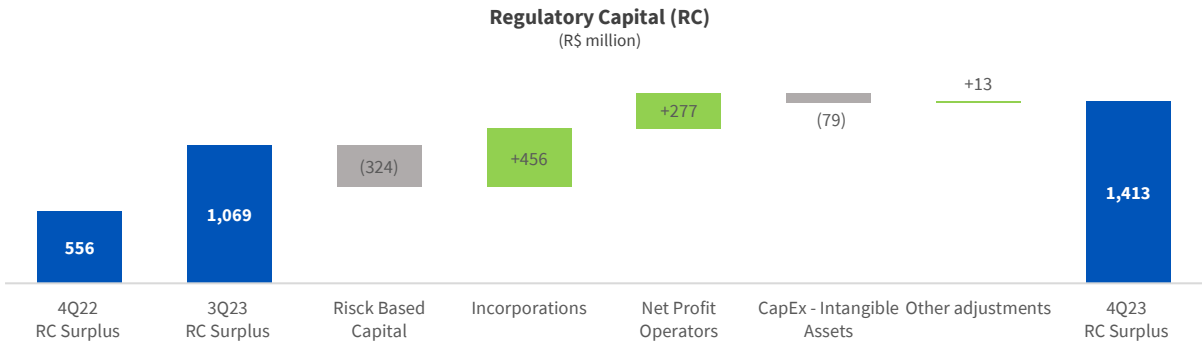
- **R\$673.8 million** in principal and interest payments
- **R\$47.5 million** in retained installments from acquisitions

REGULATORY REQUIREMENTS

Regulatory Capital

On December 31, 2023, all of the group's operators had a Regulatory Capital (RC) surplus, totaling R\$1,412.7 million (simple sum of the operators), an increase of 154.3% compared to 4Q22, with R\$5,484.1 million in Adjusted Shareholders' Equity (PLA) compared to R\$4,071.5 million in Risk-Based Capital (CBR).

All the group's operators showed a Regulatory Capital surplus.



Risk Based Capital went from R\$3,747.2 million in 3Q23 to R\$4,071.5 million in 4Q23, mainly reflecting the nominal increases in Revenue and MLR and the effects of the incorporation of Ultra Som by the operator Hapvida Assistência Médica.

Adjusted Shareholders' Equity went from R\$4,816.5 million in 3Q23 to R\$5,484.1 million in 4Q23, an increase of R\$667.6 million, mainly due to the positive impacts of:

- **R\$456.0 million** from the corporate merger of Ultra Som S.A., São Francisco Rede Assistencial S.A. and Hospital Antônio Prudente S.A. by Hapvida Assistência Médica S.A. (HAM), as a result of the corporate optimization in progress, which had a positive impact of R\$2,837.2 million on the Operators' Net Assets (HAM), partially offset by the reclassification of R\$2,381.2 million in Intangible Assets due to the same event
- **R\$277.3 million** in net income for the operators after the payment of Interest on Equity to their parent companies

And negatively impacted by:

- **R\$79.1 million** in Intangible Assets for investments in technology



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Audit, Risk, Internal Control And Compliance Audit Committee's Annual report

To the Members of the Board of Directors of Hapvida Participações e Investimentos S.A. ("Company")

1. Presentation

The Audit, Risks, Internal Controls and Compliance Committee ("Committee") is an advisory body linked to the Company's Board of Directors that plays a strategic role in supporting the management of its business with the purpose of overseeing and ensuring the integrity and transparency of its main processes, thus generating sustainable value for shareholders.

The Committee reports to the Board of Directors and acts independently from the Executive Board. Its powers and responsibilities are exercised in accordance with the legal and statutory responsibilities established in its Internal Regulations.

2. Audit Committee composition

The Audit Committee is made up of five (5) members with expertise and skills in accounting, finance and compliance, risk and control areas.

Jose Luís Camargo Junior - Fellow at Harvard University, Advanced Leadership Initiative 2023, where he developed research in the social impact, environment and governance (ESG) areas. He works as an investor in startups abroad and supports the professionalization of non-governmental organizations. He was one of the founding partners of Madrona Advogados, having led over 100 M&A operations and joint ventures in several sectors of the economy, mainly in the healthcare industry, as well as advising private equity funds and founding shareholders. He was a partner at Vieira Rezende Advogados and an associate at Pinheiro Neto Advogados.

Luiz Pereira Gomes Junior - Graduated in Accounting Sciences in 2011 from Faculdade Lourenço Filho and postgraduate in Accounting and Tax Planning from the Federal University of Ceará – UFC.

Maria Paula Soares Aranha - Independent Member. She has a degree in business administration from FGV EAESP, a postgraduate degree in finance and accounting from the same college, as well as a master's degree in controllership and accounting from FEA-USP. In addition to being a teacher and consultant, she also played significant roles on committees and boards of directors.

Wagner Aparecido Mardegan - Bachelor of Accounting Sciences, majoring in Finance, Specialization in Foreign Trade and International Business, MBAs in General Training for Senior Executives and in Technology for Business: AI, Data Science and Big Data.

Wanderbilt Cavalcante Maia - Graduated in Accounting Sciences in 1985 from the University of Fortaleza and postgraduate in Controllership in 2004 from the Federal University of Ceará.

3. Committee's responsibilities

The Committee is an independent body, with operational autonomy and its own budget, having a consultative and permanent nature and being responsible for reviewing and overseeing the following:

- (i) accounting and financial reporting processes;
- (ii) internal control and risk management processes;
- (iii) activities of the Internal Audit and Independent External Audit;
- (iv) activities in the Integrity and Compliance area.

Under the terms of this Committee's Internal Regulations, meetings must occur whenever necessary and at least four times a year, as convened by its Coordinator.

In 2023, the Committee met fourteen (14) times in the period from January to December 2023.

The topics discussed, as well as the Committee's guidelines and recommendations, were formalized in meeting minutes signed by the attending members, which remain filed on the platform used by the Company's Corporate Governance area.

In this context, during the year 2023, the Committee carried out its responsibilities as provided for in the legislation, the Company's Bylaws and its regulations, including, but not limited to:

a. *Analysis of Financial Statements*

Until the preparation and approval of this report, the Committee analyzed and recommended the approval of the Company's financial statements for the year ended 2022 and the first, second and third quarters of 2023, as it considered to adhere and comply with applicable accounting standards and regulations.

Furthermore, during the year 2023, this Audit, Risk, Internal Control and Compliance Committee monitored the implementation of the process to comply with the recommendations of IRFS 17.

b. *Internal audit*

This committee, in addition to analyzing the conclusion of the work presented by the Internal Audit area, throughout 2023, followed the work plan approved by the Board of Directors and analyzed, among many topics, the indications for audits of processes, works, systems, as well as investigative audits, the latter related to the Reporting Channel, issuing specific recommendations whenever necessary.

c. *Supervision of External Audit work*

Regarding the External Audit work, this Committee assessed, in addition to the accounting information related work, its independence in relation to the engagement of non-audit services (cybersecurity). It monitored the scope and planning review of audits and evaluated the recommendation to engage an external audit firm for the year 2024, recommending the hiring of the current audit firm to the Board of Directors.

d. *Compliance*

During the year 2023, this Committee assessed the performance of the work proposed and developed by the compliance area and the volume of activities carried out in the year. Moreover, it monitored the implementation of the unification of Compliance processes in all companies within the group, including in these processes the monitoring of procedures considered "High Risk" and the adequacy of the system-based hiring process for the new companies of the NDI Group.

This Committee also monitored the regulatory adequacy of the works and structures of the Company's units, analyzed and recommended the appointment of the DPO of the group's companies to the Executive Board and required periodic monitoring of indicators and metrics related to the privacy and data protection area.

Throughout the year, the Committee analyzed and issued an opinion on the proposal to engage third parties that would involve assuming a risk considered "high" in terms of the criteria adopted by the Company for classification purposes.

Finally, in compliance with the Related Party Transactions Policy, the Committee analyzed the contracting proposals submitted to it.

e. *Risks and Internal Controls*

Said Committee, in accordance with the annual schedule, reevaluated the corporate risk matrix with an emphasis on equalizing the rules of impact and likelihood of risks. During the year 2023, it also discussed the risk level measured, action plans and suggested measures to specially address cyber risks, firefighting and accidents in the care units.

Finally, it assessed and recommended the approval of the annual risk, privacy and data protection plan to be implemented in 2024, in addition to monitoring risk appetite.

f. Governance Instruments

This Committee analyzed and recommended the approval of the following policies by the Board of Directors:

- (i) Information Security Policy;
- (ii) Policy for Hiring an External Audit firm and non-audit services.

4. Conclusions - Main Activities and Results

During the year 2023, the Audit Committee carried out the following main activities:

- (i) Conducted meetings to review and discuss issues related to audit, internal controls, compliance and financial reporting.
- (ii) Acknowledged the external and internal audit reports, including their findings, recommendations and action plans.
- (iii) Evaluated and recommended the approval of the company’s quarterly and annual financial statements.
- (iv) Carried out assessments of independence and performance of the external audit firm.
- (v) Collaborated with other committees of the Board of Directors to oversee the Company’s corporate risks and governance.

Fortaleza, May 13, 2024.

Audit Committee	
<i>Coordinator</i>	José Luis Camargo Junior
<i>Member</i>	Luiz Pereira Gomes Júnior
<i>Member</i>	Maria Paula Soares Aranha
<i>Member</i>	Wagner Aparecido Mardegan
<i>Member</i>	Wanderbilt Cavalcante Maia

Audit Committee’s Opinion on the Parent Company and Consolidated financial statements for the year ended December 31, 2023

The Audit Committee of Hapvida Participações e Investimentos S.A., in compliance with legal and statutory provisions, reviewed the parent company and consolidated financial statements for the year ended December 31, 2023, accompanied by the Independent Auditor’ Report of PricewaterhouseCoopers Auditores Independentes Ltda., and based on the activities, information and clarifications received during the year, unanimously issued its opinion that the aforementioned documents fairly reflect, in their material aspects, the financial situation of the Company and its subsidiaries as of December 31, 2023 and are in a position to be submitted for consideration by the Board of Directors.

Fortaleza, May 13, 2024.

Audit Committee	
<i>Coordinator</i>	José Luis Camargo Junior
<i>Member</i>	Luiz Pereira Gomes Júnior
<i>Member</i>	Maria Paula Soares Aranha
<i>Member</i>	Wagner Aparecido Mardegan
<i>Member</i>	Wanderbilt Cavalcante Maia

Statement of the Executive Officers on the Parent Company and Consolidated financial statements for the year ended December 31, 2023

Pursuant to Article 27, Paragraph One, item VI of CVM Resolution 80/22, the officers responsible for preparing the respective parent company and consolidated financial statements of the Company and its subsidiaries hereby declare that they have reviewed, discussed and agreed with the parent company and consolidated financial statements for the year ended December 31, 2023.

Fortaleza, May 13, 2024.

Jorge Fontoura Pinheiro Koren de Lima
President

Luccas Augusto Adib
Vice-President and Chief Finance and Investor Relations Officer

Statement of the Executive Officers on the Independent auditors' report

Pursuant to Article 27, Paragraph One, item VI of CVM Resolution 80/22, the officers responsible for preparing the respective parent company and consolidated financial statements of the Company and its subsidiaries hereby declare that they have reviewed, discussed and agreed with the opinions expressed in the Independent Auditors' Report of the Company and its subsidiaries, issued by PricewaterhouseCoopers Auditores Independentes Ltda., regarding the parent company and consolidated financial statements for year ended December 31, 2023.

Fortaleza, May 13, 2024.

Jorge Fontoura Pinheiro Koren de Lima
President

Luccas Augusto Adib
Vice-President and Chief Finance and Investor Relations Officer



Independent auditor's report on the parent company and consolidated financial statements

To the Board of Directors and Stockholders
Hapvida Participações e Investimentos S.A.

Opinion

We have audited the accompanying parent company financial statements of Hapvida Participações e Investimentos S.A. (the "Company"), which comprise the balance sheet as at December 31, 2023 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of the Company and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2023, and the financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently referred to by the IFRS Foundation as "IFRS accounting standards").

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the parent company and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

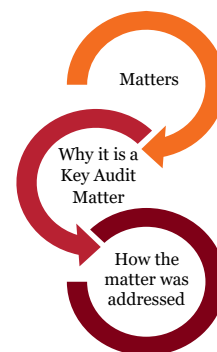
Emphasis of matter

Restatement of the financial statements

We draw attention to Note 2.4 to the parent company and consolidated financial statements, which describes the update and restatement of the financial statements originally issued as at March 28, 2024, due to the circumstances described in said note. We issued our original audit report dated March 28, 2024, with an adverse opinion on the previously issued financial statements. Due to the update described in said note, we provide this new independent auditors' report on the restated financial statements. Our opinion is not qualified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter

How the matter was addressed in the audit

First-time adoption of IFRS 17 (CPC 50) - Measurement of insurance contracts (Notes 9(c), 20, 29 and 36(iii)(b))

The Company, through its subsidiaries, maintains assets and liabilities related to insurance contracts, which are recognized, measured and presented as of January 01, 2023, in accordance with the new accounting standard IFRS 17 (CPC 50) - Insurance Contracts.

The adoption of this new accounting standard brought relevant changes to the recognition, measurement and presentation of insurance contracts. The implementation of this standard required a high level of Management's judgement to define material accounting policies and critical assumptions for measuring insurance contracts.

On the transition date, January 01, 2022, the Company applied the fair value measurement approach for groups of individual contracts, as permitted by the new accounting standard. The fair value measurement is determined through evaluation techniques supported by data not observable in the market (Level 3), with assumptions that consider internal and external information and elements, mainly related to: loss ratio, monthly fee adjustment, medical inflation and risk adjustment.

Regarding the measurement of the remaining coverage assets and liabilities for the individual contract groups and liabilities for claims incurred for the individual and collective contract groups, under the new accounting standard, the Company used data from its operations, in addition to actuarial techniques and methods that involve judgment in determining measurement models

Our audit procedures included, among others, understanding the key aspects of adopting the new accounting standard, including: (i) the material accounting policies, (ii) the critical assumptions for measuring insurance contracts as of the transition date, (iii) the transition criteria and (iv) the relevant internal controls established over the database of insurance contracts.

We performed the reconciliation test of the main databases used in cash flow projections, arising from operational systems, with accounting records and, when applicable, with financial records.

We matched, on a sample basis, the information contained in the aforementioned databases with insurance contracts and, when applicable, with evidence of financial settlement.

With the support of our actuarial specialists, we analyzed the reasonableness of the main assumptions used in cash flow projections, through comparison with the Company's internal information and data and, in the case of fair value measurement on the transition date, with information from market, when applicable, as well as the calculation methodology used by management.

We also carry out, with the support of our actuarial specialists, the recalculation of cash flows discounted to present value and adjustments to non-financial risk, as well as the fair value on the transition date.



Hapvida Participações e Investimentos S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
<p>and the assumptions used to project insurance contract fulfillment cash flows, which include, among others, expectation of receipt of premiums, expected future loss ratio, expected cancellation, medical inflation, in addition to discount rates, adjustment to non-financial risk and the criteria for recognizing the contractual insurance margin.</p> <p>Considering the complexity, relevance, and level of management's judgment in determining the measurement models and relevant assumptions, which if changed could significantly impact the parent company and consolidated financial statements, as well as the material control deficiencies identified in the process, this issue was considered a key audit matter in the current year.</p>	<p>We analyzed the valuation techniques used by management to calculate fair value on the transition date, including reasonableness and comparison with observable data, when applicable, and the adequacy of the classification following the fair value hierarchy.</p> <p>We assessed the competence and objectivity of the external consultants engaged by management to assist in the adoption process of IFRS 17 (CPC 50).</p> <p>Finally, we read the disclosures presented in the notes to the financial statements.</p> <p>Our procedures demonstrated that the criteria and assumptions adopted by management in measuring insurance contracts, as of the first-time adoption of IFRS 17 (CPC 50), as well as the disclosures made, are consistent with data and information analyzed in our audit.</p>

Impairment of intangible assets with indefinite useful life - goodwill (Notes 9(f) and 19)

As at December 31, 2023, the Company has intangible assets with an indefinite useful life generated by goodwill from business combinations, whose value is material in relation to the financial statements.

Management carries out a test to assess the need to reduce goodwill to its recoverable value at least annually. This test involves significant estimates and judgments.

For said reasons, and considering the control deficiencies identified, this area remains the focus of our audit, since different assumptions used by management in projecting future results can significantly change the valuation of the recoverable amount of goodwill and, consequently, impact the financial statements materially.

As an audit response regarding the subjectivity of the assumptions and relevance of the values involved, we carried out the following main procedures:

We have updated our understanding of the relevant internal controls related to the impairment test of goodwill performed by management, as well as the processes for preparing projections and their approvals.

We evaluate the competence and objectivity of the external consultants engaged by management to support the measurement of recoverable value.

We compared the relevant assumptions with the budget and the approved Business Plan and, with the support of our asset valuation experts, (i) analyzed the reasonableness of the main assumptions used in the projections, including comparisons with estimates published by independent market sources, when applicable, (ii) carried out an independent calculation of the discount rate and inflation projections and comparison with the criteria used by



Hapvida Participações e Investimentos S.A.

Why it is a Key Audit Matter

How the matter was addressed in the audit

management and its consultants, (iii) tested the logical coherence and arithmetic consistency of the model prepared by management, and (iv) analyzed the consistency of expected projected profit or loss compared to the results achieved in previous years.

Finally, we read the disclosures made about the goodwill impairment test.

Our procedures have demonstrated that the criteria and assumptions adopted by management, as well as the disclosures made regarding the goodwill impairment test, are consistent with the data and information analyzed in our audit.

Provision for tax, civil and labor risks (Notes 9(j) and 25)

The Company and its subsidiaries are parties to fiscal, civil, and labor lawsuits and administrative proceedings. The Company's management uses the support of external lawyers to estimate loss forecasts, as well as the values related to probable outflows of funds to be recognized in the accounting books as provisions.

The determination of the estimated expected losses from ongoing proceedings involves critical judgments by the Company's management, which are periodically reassessed as the proceedings progress through various courts and applicable case law.

This topic was kept as a key audit matter due to the volume of proceedings, the magnitude of the amounts involved, especially regarding the disclosed contingent liabilities, and since it involves significant judgment by management in determining the risk of loss.

Our audit procedures included, among others, understanding the proceeding and internal controls established by management for the identification, measurement, recognition and disclosure of tax, civil, and labor proceedings in the financial statements.

We have obtained confirmations from the Company's external legal advisors regarding the likelihood of loss, as well as the amounts involved, in the ongoing proceedings. We also assessed, on a sample basis and with the assistance of our tax and legal experts, the estimates and criteria used by management in its analysis of the main ongoing proceedings, aiming to evaluate the reasonableness of forecasts determined by the Company, with the support of its legal advisors, as well as the arguments and case law mentioned by them.

Furthermore, we conducted a retrospective analysis to evaluate the consistency and preparation of loss forecasts for closed proceedings.

We consider that the disclosures in the notes to the financial statements are consistent with data and information analyzed in our audit.



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Other matters

Statement of Value Added

Parent company and consolidated statements of value added for the year ended December 31, 2023, prepared under responsibility of Company's management, and presented as supplementary information for purposes of IFRS accounting standards, were submitted to audit procedures carried out together with the audit of Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Values corresponding to the opening balance as at January 01, 2022

The examination of the financial statements for the year ended December 31, 2021, originally prepared prior to the adjustments described in Note 2.4, which corresponds to the opening balance as at January 01, 2022, was conducted under the responsibility of other independent auditors, who issued an unqualified audit report dated March 23, 2022.

As part of our examination of the financial statements for the year 2023, we also examined the adjustments described in Note 2.4, which were made to change the financial statements of 2022, presented for comparison purposes, due to the first-time adoption of the new accounting standard CPC 50/IFRS 17 - Insurance Contracts. In our opinion, such reclassifications are appropriate and correctly made. We have not been engaged to audit, review or apply any other procedures on the Company's financial statements for the year 2021 and, therefore, did not express an opinion or any other form of assurance on the financial statements of 2021, taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting



Hapvida Participações e Investimentos S.A.

Standards Board (IASB) (currently denominated by the IFRS Foundation as "IFRS accounting standards"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of parent company and consolidated financial statements, Management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless Management intends to wind-up the Company and its subsidiaries, as a whole, or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may lead the Company and its subsidiaries as a whole to no longer remain as a going concern.



Hapvida Participações e Investimentos S.A.

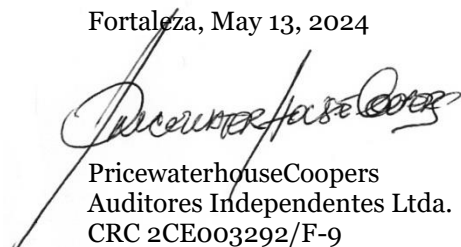
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including, where applicable, the actions taken to eliminate threats to our independence or safeguard applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the Key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fortaleza, May 13, 2024



PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2CE003292/F-9

Vinícius Ferreira Britto Rego
Contador CRC 1BA024501/O-9

Hapvida Participações e Investimentos S.A.

Statements of financial position as of December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of reais)

	Notas	Parent Company			Consolidated			Notas	Parent Company			Consolidated			
		12/31/2023 (Restated)	12/31/2022 (Restated)	01/01/2022 (Restated)	12/31/2023 (Restated)	12/31/2022 (Restated)	01/01/2022 (Restated)		12/31/2023 (Restated)	12/31/2022 (Restated)	01/01/2022 (Restated)	12/31/2023 (Restated)	12/31/2022 (Restated)	01/01/2022 (Restated)	
Assets															
Cash and cash equivalents	36.d	857.991	3.242	5.375	1.430.144	1.267.915	347.256	21	1.800.299	781.592	682.622	2.109.941	1.726.508	713.250	
Short and long term investments	12	226.979	230	-	5.573.479	3.331.741	1.720.024	Suppliers	2.241	1.550	293	317.861	471.067	288.743	
Trade accounts receivable	13	-	-	-	475.733	403.408	94.188	Insurance contract liabilities	20	-	-	2.165.974	2.546.770	592.008	
Insurance contract assets	20	-	-	-	153.693	1.213.348	1.575.585	Social security charges	23	1.545	3.851	657.640	647.753	270.561	
Inventories	-	-	-	-	318.605	280.759	156.933	Taxes and contributions payable	24	20.145	4.799	467.460	436.350	207.332	
Recoverable taxes	14	203.423	173.610	71.803	835.057	708.114	237.873	Income tax and social contribution	35.a	-	-	28.261	31.798	58.645	
Dividends and interest on shareholders' equity receivable	15	-	47.821	47.001	-	-	-	Dividends and interest on shareholders' equity payable	15 e 27.c	2.552	2.552	12.629	13.604	31.859	
Derivative financial instruments	36	-	-	-	-	-	7.753	Leases payable	22	1	148	475.179	351.286	153.031	
Other assets	16	13.114	21.257	5.258	379.989	390.632	171.156	Derivative financial instruments	36	-	18.468	25.088	18.468	-	
		1.301.507	246.160	129.437	9.166.700	7.595.917	4.310.768	Other debits with related parties	15	224.261	104.480	4.335	5.737	3.998	
Net assets of subsidiaries intended for sale	40	-	-	-	-	-	-	Other accounts payable	26	22.251	13.061	13.235	406.911	98.232	
Total current assets		1.301.507	246.160	129.437	9.181.580	7.595.917	4.310.768	Total current liabilities		2.073.295	928.344	731.260	6.672.681	6.594.664	2.426.869
Short and long term investments	12	133	673	2.673.392	886.276	1.265.000	5.790.808	Loans, financing and debentures	21	7.610.115	5.307.412	3.900.889	9.416.473	9.991.173	4.882.681
Deferred tax assets	35.b	1.167.069	743.646	370.614	3.590.915	2.990.302	1.034.446	Suppliers	-	-	-	-	2.635	-	
Judicial deposits	25	10.689	3.790	2.625	2.226.206	1.822.767	417.478	Taxes and contributions payable	24	-	-	-	161.394	157.076	123.181
Derivative financial instruments	36	-	-	-	772	-	-	Leases payable	22	167	260	2.635	2.862.830	1.998.758	980.594
Other debits with related parties	15	1.688	345	345	5.219	3.498	3.525	Deferred tax liabilities	35.b	-	-	-	1.841.538	1.386.317	744.066
Other assets	16	8.585	13.200	18.000	121.774	113.620	56.138	Provision for tax, civil and labor risks	25	2.074	906	26.478	1.267.316	1.360.974	428.791
Total long-term assets		1.188.164	761.654	3.064.976	6.831.162	6.195.187	7.302.395	Derivative financial instruments	36	-	-	-	24.100	42.184	18.289
Investments	17	56.467.389	54.153.246	13.153.274	5.518	6.367	-	Other accounts payable	26	22.000	-	-	1.684.670	1.388.120	881.114
Property, plant and equipment	18	4.363	5.029	7.675	6.882.558	7.304.735	3.010.935	Total non-current liabilities		7.634.356	5.308.578	3.930.002	17.258.321	16.327.237	8.058.716
Intangible assets	19	2	17	69	50.285.327	50.756.153	7.556.509	Equity	27						
Total non-current assets		57.659.918	54.919.946	16.225.994	64.004.565	64.262.442	17.869.839	Share capital	38.866.199	37.833.969	8.124.185	38.866.199	37.833.969	8.124.185	
Total assets		58.961.425	55.166.106	16.355.431	73.186.145	71.858.359	22.180.607	Treasury shares	(451.967)	(427.776)	(299.826)	(451.967)	(427.776)	(299.826)	
								Capital reserve	9.892.386	9.844.362	429.544	9.892.386	9.844.362	429.544	
								Legal reserve	201.486	201.486	201.486	201.486	201.486	201.486	
								Profit reserves	761.472	1.519.327	3.238.780	761.472	1.519.327	3.238.780	
								Other comprehensive income	(15.802)	(42.184)	-	(15.802)	(42.184)	-	
								Equity attributable to controlling shareholders	49.253.774	48.929.184	11.694.169	49.253.774	48.929.184	11.694.169	
								Non-controlling interest	-	-	-	1.369	7.274	853	
								Total equity	49.253.774	48.929.184	11.694.169	49.255.143	48.936.458	11.695.022	
								Total liabilities and equity	58.961.425	55.166.106	16.355.431	73.186.145	71.858.359	22.180.607	

See the accompanying notes to the parent company and consolidated financial statements.

Hapvida Participações e Investimentos S.A.

Demonstrações do resultado

Exercícios findos em 31 de dezembro de 2023 e 31 de dezembro de 2022

(Valores expressos em milhares de Reais)

Notas	Controladora		Consolidado	
	31/12/2023 (Reapresentado)	31/12/2022 (Reapresentado)	31/12/2023 (Reapresentado)	31/12/2022 (Reapresentado)
Net revenue from services rendered	30	-	968.018	987.576
Insurance revenue	29	-	26.801.772	22.824.151
Costs of services rendered	31	-	(1.865.701)	(2.209.016)
Insurance expense	29	-	(22.864.213)	(21.603.850)
Gross income		-	3.039.876	(1.139)
Sales expenses	32	(626)	(284.629)	(251.694)
Administrative expenses	33	(372.960)	(1.670.533)	(2.028.037)
Equity in net income of subsidiaries	17	330.240	-	-
Other operating (expenses) revenues, net		(56.695)	86.943	551.909
		(100.041)	(1.868.219)	(1.727.822)
		(100.041)	1.171.657	(1.728.961)
Financial revenues	34	44.011	1.029.747	864.481
Financial expenses	34	(1.125.324)	(2.902.641)	(2.011.029)
Net financial revenues (expenses)		(1.081.313)	(1.872.894)	(1.146.548)
Income (loss) before income tax and social contribution		(1.181.354)	(701.237)	(2.875.509)
Current income tax and social contribution	35.a	-	(190.713)	(22.581)
Deferred income tax and social contribution	35	423.423	133.896	1.179.970
Net (loss) from continued operations for the year		(757.931)	(758.054)	(1.718.120)
(Loss)/Net income from discontinued operations for the year	40	-	645	-
Net (loss) for the year		(757.931)	(757.409)	(1.718.120)
Attributable to:				
Non-controlling shareholders		-	522	1.395
Controlling shareholders		(757.931)	(757.931)	(1.719.515)
(Loss) per basic and diluted share	27.e	(0,10)	(0,10)	(0,25)

See the accompanying notes to the parent company and consolidated financial statements.

Hapvida Participações e Investimentos S.A.

Statements of comprehensive income

Years ended December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of reais)

	Parent Company		Consolidated	
	12/31/2023 (Restated)	12/31/2022 (Restated)	12/31/2023 (Restated)	12/31/2022 (Restated)
Net (loss) for the year	<u>(757.931)</u>	<u>(1.719.515)</u>	<u>(757.409)</u>	<u>(1.718.120)</u>
Other comprehensive income to be reclassified to income for the year in subsequent period				
Net gain/(loss) on cash flow hedge	26.382	(42.184)	26.382	(42.184)
Total comprehensive income	<u>(731.549)</u>	<u>(1.761.699)</u>	<u>(731.027)</u>	<u>(1.760.304)</u>
Attributable to non-controlling shareholders	-	-	522	1.395
Controlling shareholders	(731.549)	(1.761.699)	(731.549)	(1.761.699)

See the accompanying notes to the parent company and consolidated financial statements.

Hapvida Participações e Investimentos S.A.

Statements of changes in equity

Years ended December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of reais)

Notes	Attributable to controlling shareholders									
	Capital	Treasury shares	Capital reserves	Profit reserves		Other comprehensive income	(Losses)/ Retained earnings	Total	Non-controlling interest	Total equity
				Legal reserve	Profit reserve					
Balances at December 31, 2021	8.124.185	(299.826)	429.544	201.486	2.116.752	-	-	10.572.141	853	10.572.994
Early adoption - Transition to IFRS 17							1.122.028	1.122.028		1.122.028
Allocations:										
Profit/loss retention					1.122.028		(1.122.028)	-		-
Balances at January 1, 2022 (Opening balance)	8.124.185	(299.826)	429.544	201.486	3.238.780	-	-	11.694.169	853	11.695.022
Income (loss) for the period	-	-	-	-	-	-	(1.719.515)	(1.719.515)	1.395	(1.718.120)
Capital increase	29.709.784	-	15.563.088	-	-	-	-	45.272.872	5.026	45.277.898
Negative goodwill in issue of shares	-	-	(6.628.873)	-	-	-	-	(6.628.873)	-	(6.628.873)
Repurchase of shares	-	(127.950)	-	-	-	-	-	(127.950)	-	(127.950)
Transactions with share-based payments	-	-	486.316	-	-	-	-	486.316	-	486.316
Net loss on cash flow hedge	-	-	-	-	-	(42.184)	-	(42.184)	-	(42.184)
Acquisition of non-controlling interest	-	-	(5.713)	-	62	-	-	(5.651)	-	(5.651)
Allocations:										
Profit/loss retention	-	-	-	-	(1.719.515)	-	1.719.515	-	-	-
Balances at December 31, 2022 (Restated)	37.833.969	(427.776)	9.844.362	201.486	1.519.327	(42.184)	-	48.929.184	7.274	48.936.458
Income (loss) for the year	-	-	-	-	-	-	(757.931)	(757.931)	522	(757.409)
Capital increase	27.a) 1.059.155	-	-	-	-	-	-	1.059.155	(6.427)	1.052.728
Expenditures with issuance of shares	27.a) (26.925)	-	-	-	-	-	-	(26.925)	-	(26.925)
Repurchase of shares	27.d) -	(24.191)	-	-	-	-	-	(24.191)	-	(24.191)
Transactions with share-based payments	28 -	-	61.682	-	-	-	-	61.682	-	61.682
Net gain (loss) on cash flow hedge	-	-	-	-	-	26.382	-	26.382	-	26.382
Equity valuation adjustments	-	-	(13.658)	-	76	-	-	(13.582)	-	(13.582)
Allocations:										
Retenções de (prejuízos) - Reapresentado	-	-	-	-	(757.931)	-	757.931	-	-	-
Balances at December 31, 2023 (Restated)	38.866.199	(451.967)	9.892.386	201.486	761.472	(15.802)	-	49.253.774	1.369	49.255.143

See the accompanying notes to the parent company and consolidated financial statements.

Hapvida Participações e Investimentos S.A.

Statements of cash flows - Indirect method

Years ended December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of reais)

	Parent Company		Consolidated	
	12/31/2023 (Restated)	12/31/2022 (Restated)	12/31/2023 (Restated)	12/31/2022 (Restated)
Cash flows from operating activities				
Net (loss) for the year	(757.931)	(1.719.515)	(757.409)	(1.718.120)
Adjustments to reconcile net (loss) for the year with cash generated by operating activities:				
Depreciation and amortization	234.842	305.229	1.412.070	1.519.843
Amortization of right-of-use	4	767	213.051	205.995
Write-off of real estate surplus	60.468	-	93.560	-
Sale & Leaseback	-	-	(121.279)	-
Equity in net income of subsidiaries	(330.240)	534.743	-	-
Provision for losses and effective credit losses	-	-	39.643	37.096
Write-off of property, plant and equipment	-	-	2.579	34.875
Write-off of intangible assets	-	-	179.953	731
Provision for tax, civil and labor risks	1.859	(25.382)	215.557	284.441
Mark-to-market of short and long term investments	-	-	(1.263)	(252)
Yield from short and long term investments	(21.993)	(81.381)	(699.065)	(734.825)
Loss (gain) with derivative financial instruments	13.385	18.468	88.277	100.897
Interest and inflation adjustment of lease	15	168	292.657	224.733
Interest and financial charges from loans, financing and debentures	1.058.357	745.849	1.486.478	1.398.418
Exchange-rate change	(7)	-	(17.803)	(4.907)
Share-based payment transactions	61.682	486.316	61.682	486.316
Change in fair value of contingent consideration	-	-	-	(503.780)
Income tax and social contribution	-	-	190.713	22.581
Deferred taxes	(423.423)	(373.032)	(133.896)	(1.179.970)
Other	-	-	-	(5.765)
	(102.982)	(107.770)	2.545.505	168.307
(Increase) decrease in asset accounts:				
Trade accounts receivable	-	-	(103.335)	(64.363)
Inventories	-	-	(33.921)	43.455
Recoverable taxes	(29.813)	(101.807)	(104.912)	(329.864)
Judicial deposits	(6.899)	(1.165)	(398.958)	(257.251)
Insurance contract assets	-	-	1.091.360	1.533.778
Other assets	5.314	(84)	60.373	(592.796)
Increase (decrease) in liability accounts:				
Social security charges	(149)	(2.157)	6.461	133.789
Suppliers	698	1.257	(157.733)	(172.022)
Taxes and contributions payable	16.499	(311)	(10.205)	(39.917)
Provision for tax, civil and labor risks	(691)	(190)	(303.967)	(162.671)
Insurance contract liabilities	-	-	(389.241)	1.161.285
Other accounts payable	27.765	(177)	344.072	(377.794)
	(90.258)	(212.404)	2.545.499	1.043.936
Cash (used in) generated by operating activities	(90.258)	(212.404)	2.545.499	1.043.936
Income tax and social contribution paid	-	-	(214.638)	(72.029)
Net cash flow (used in) from continued operating activities	(90.258)	(212.404)	2.330.861	971.907
Net cash flow (used in) from discontinued operating activities	-	-	3.805	-
Net cash flow (used in) from operating activities	(90.258)	(212.404)	2.334.666	971.907
Cash flows from investing activities				
(Payments) Receipts from related parties	118.438	100.145	18	(9.183)
Acquisition of property, plant and equipment	(231)	(1.754)	(168.266)	(523.718)
Acquisition of intangible assets	-	(1)	(243.820)	(212.273)
Acquisition of investments	-	-	(630.641)	(3.213.979)
Paid-up capital in investees	(833.782)	(5.712.096)	-	-
Balances attributed to the acquisition of investees	-	-	3.194	202.956
Advance for future capital increase	(559.700)	-	-	-
Dividends received	1.010.258	2.456.238	-	-
Funds received from Sale & Leaseback operations	-	-	1.250.000	-
Short and long term investments	(1.070.036)	(733.023)	(21.386.486)	(14.343.113)
Redemptions of short and long term investments	864.667	3.486.893	20.327.536	20.199.198
	(470.386)	(403.598)	(848.465)	2.099.888
Cash flow (used in) from continued investment activities	(470.386)	(403.598)	(848.465)	2.099.888
Cash flow (used in) from discontinued investment activities	-	-	(29.167)	-
Cash flow (used in) from investment activities	(470.386)	(403.598)	(877.632)	2.099.888
Cash flows from financing activities				
Issue of debentures	2.250.000	2.000.000	1.750.000	2.000.000
Funding of loans and financing	-	-	260.000	1.321.260
Dividends and interest on shareholders' equity	-	(17.945)	-	(1.017.145)
Funds from issue of shares	1.059.155	1.089	1.059.155	1.089
Expenses with issuance of shares	(26.925)	-	(26.925)	-
Repurchase of own shares	(24.191)	(127.950)	(24.191)	(127.950)
Payment of loan principal, financing and debentures	(819.335)	(588.295)	(2.278.912)	(2.452.853)
Payment of interest from loans, financing and debentures	(993.314)	(642.342)	(1.403.798)	(1.359.667)
Transaction costs related to funding	1.870	(9.760)	(785)	(32.908)
Acquisition of subsidiaries - Payments	-	-	(97.055)	(81.474)
Payment of lease	(15)	(928)	(455.568)	(326.958)
(Payment)/Receipt of derivative financial instruments	(31.852)	-	(68.696)	(74.530)
	1.415.393	613.869	(1.286.775)	(2.151.136)
Net cash from (used in) continued financing activities	1.415.393	613.869	(1.286.775)	(2.151.136)
Net cash from (used in) discontinued financing activities	-	-	8.666	-
Net cash from (used in) financing activities	1.415.393	613.869	(1.278.109)	(2.151.136)
Increase (Decrease) in cash and cash equivalents from continued operations	854.749	(2.133)	195.621	920.659
Increase (Decrease) in cash and cash equivalents from discontinued operations	-	-	(16.696)	-
Increase (Decrease) in cash and cash equivalents	854.749	(2.133)	178.925	920.659
Cash and cash equivalents at the beginning of the year	3.242	5.375	1.267.915	347.256
Cash and cash equivalents at the end of the year	857.991	3.242	1.430.144	1.267.915
Change in cash and cash equivalents from discontinued operations	-	-	(16.696)	-
Increase (Decrease) in cash and cash equivalents	854.749	(2.133)	178.925	920.659

See the accompanying notes to the parent company and consolidated financial statements.

Hapvida Participações e Investimentos S.A.

Statements of added value

Years ended December 31, 2023 and December 31, 2022

(Amounts expressed in thousands of reais)

	Parent Company		Consolidated	
	12/31/2023 (Restated)	12/31/2022 (Restated)	12/31/2023 (Restated)	12/31/2022 (Restated)
Revenues (1)	4.448	268	29.448.188	24.740.337
Revenues from issued insurance operations	-	-	26.801.772	22.824.151
Other	4.448	268	2.693.364	1.953.282
Estimated losses on doubtful accounts - Reversal / (Formation)	-	-	(46.948)	(37.096)
Expenses (2)	-	-	(23.156.675)	(21.632.051)
Expenses with issued insurance operations	-	-	(22.864.213)	(21.603.850)
Other	-	-	(292.462)	(28.201)
Inputs purchased from third parties (3)	(15.159)	(20.455)	(1.290.503)	(1.398.372)
Materials, energy and others	(4.209)	(2.727)	(580.895)	(683.688)
Third-party services, net commissions	(10.950)	(17.728)	(709.608)	(714.684)
Gross added value (1) - (2) - (3) = (4)	(10.711)	(20.187)	5.001.010	1.709.914
Depreciation and amortization (5)	(234.846)	(305.996)	(483.365)	(683.991)
Net added value produced by the Company (4) - (5) = (6)	(245.557)	(326.183)	4.517.645	1.025.923
Added value received as transfer (7)	374.251	(417.719)	3.122.446	3.129.296
Equity in net income of subsidiaries	330.240	(534.744)	-	-
Financial revenues	44.011	91.929	1.029.747	864.481
Other	-	25.096	2.092.699	2.264.815
Undistributed value added from continued operations (6) + (7) = (8)	128.694	(743.902)	7.640.091	4.155.219
Undistributed value added from discontinued operations (9)	-	-	645	-
Total added value payable (8) + (9)	128.694	(743.902)	7.640.736	4.155.219
Distribution of added value				
Personnel	(117.247)	(517.568)	(2.913.878)	(3.392.976)
Direct remuneration	(117.020)	(517.396)	(2.292.490)	(2.641.090)
Benefits	(131)	(77)	(380.656)	(333.275)
F.G.T.S.	(96)	(95)	(240.732)	(418.611)
Taxes, rates and contributions	401.077	323.364	(2.071.785)	(368.873)
Federal	401.266	323.586	(1.584.478)	11.310
State	(175)	-	(1.735)	(1.238)
Municipal	(14)	(222)	(485.572)	(378.945)
Third-party capital remuneration	(1.170.455)	(781.410)	(3.412.482)	(2.111.491)
Interest	(1.108.069)	(781.229)	(2.725.088)	(2.073.163)
Rents	-	-	(46.707)	(19.218)
Other	(62.386)	(181)	(640.687)	(19.110)
Remuneration of own capital	757.931	1.719.516	757.409	1.718.121
Retained earnings/(losses)	757.931	1.719.516	757.931	1.719.516
Non-controlling interest in retained (losses)/retained earnings	-	-	(522)	(1.395)
Distributed added value	(128.694)	743.902	(7.640.736)	(4.155.219)

See the accompanying notes to the parent company and consolidated financial statements.

Notes to the parent company and consolidated financial statements

(Amounts expressed in thousands of reais)

1 Operations

Hapvida Participações e Investimentos S.A. (the “Company”) is a holding company organized as a corporation with registered offices at Av. Heráclito Graça, 406 in the city of Fortaleza/CE. The parent company and consolidated financial statements include the Company and its subsidiaries (“Company and its subsidiaries”) or (“Group”). The Company and its subsidiaries are mainly engaged in: (i) sale of health insurance plans being also responsible for the majority of health care at its own network (hospitals, clinics, imaging diagnostics and laboratories); and (ii) the sale of dental insurance plans with the services provided by accredited network.

Hapvida Participações e Investimentos S.A. obtained the registration as a publicly-held company on April 20, 2018 and started trading its shares in the Novo Mercado (New Market) special segment at [B]³ – Brasil Bolsa Balcão, on April 25, 2018, under ticker HAPV3.

The Company’s shareholding structure is presented as follows:

Partner	Number of shares	(%) Interest
PPAR Pinheiro Participações S.A.	2,713,267,990	36.20%
Outstanding shares	4,781,839,001	63.80%
(-) Treasury shares	44,356,272	-
Total	7,539,463,263	100.00%

On December 31, 2023, the Company and its subsidiaries recorded positive Net Working Capital (CCL) of R\$ 2,508,899* (positive in R\$ 1,001,253* on December 31, 2022) at a consolidated level, mainly resulting from resources coming from the follow on and the Sale & Leaseback, which took place in the second quarter of 2023, as well as the resources arising from the Company’s 5th debenture issue, which took place in December 2023.

The Company (parent company) presented negative Net Working Capital of R\$ 771,788 (negative by R\$ 682,184 on December 31, 2022), mainly due to its obligations arising from debentures in the short term. The Group has centralized cash management mechanisms so that, if there is a need for cash in a specific company within the Group, the entities will reallocate cash. In the case of the Company, its subsidiaries (mainly operators) will distribute profits.

Management assessed the ability of the Company and its subsidiaries to continue as a going concern and believes that they have the necessary resources to allow the going concern of its business for the future. Additionally, Management is not aware of any material uncertainty that may generate significant doubts about its ability to continue operating. Thus, these parent company and consolidated financial statements were prepared based on the going concern assumption.

The disclosure of the parent company and consolidated interim statements was authorized by the Board of Directors on May 13, 2024.

* Calculations restated, as detailed in Note 2.4.

2 Other matters

2.1 Climate change-related risk

The Company and its subsidiaries carried out a study of climate risks and opportunities considering the time horizons of 2030 and 2050, assessing the main physical risks linked to global warming and the effects of climate change on the increase in demand for health services in the short, medium and long term, aiming to obtain a better understanding and technical information to assist decision-making in climate change adaptation plans.

Among the aspects identified in the study, it is worth highlighting the possible impacts of extreme weather events on the units and facilities, as well as the consequences of climate change on the health of populations and the search for medical care.

The Company and its subsidiaries work constantly to mitigate risks to the physical integrity of the units, considering the occurrence of storms, floods, cyclones and hail when planning works and renovations.

In certain cases, the possibility of changing the address of an asset based on the impossibility of adapting the infrastructure to provide service within the established safety and quality standards is also assessed. Moreover, the insurance policies of the Company and its subsidiaries include coverage for extreme events.

The increase in cases of respiratory diseases resulting from a drop in temperature or an increase in pollution, cardiovascular diseases caused by an increase in temperature and diseases limited to certain geographic areas (such as dengue, whose vector is related to the accumulation of water and may be impacted by the rainfall regime) are monitored by the Company and its subsidiaries on a recurring basis.

Finally, ongoing investments are made in the geographic diversification of care units, in preventive medicine programs and in educational and awareness-raising actions through communication channels.

Until December 31, 2023, no relevant impacts arising from climate change risks were identified by Management in the parent company and consolidated financial statements of the Company and its subsidiaries, regarding: i) impairment of non-financial assets; ii) financial instruments; iii) Contingent provisions and liabilities; iv) fair value measurements; v) deferred taxes; vi) material judgments and estimates; or any other impacts.

2.2 Consumption tax reform

On December 20, 2023, Constitutional Amendment (“EC”) 132 was enacted, which establishes the Tax Reform (“Reform”) on consumption. Several topics, including the rates of new taxes, are still pending regulation by Complementary Laws (“LC”), which must be submitted for evaluation by Brazil’s National Congress within 180 days.

The Reform model is based on a VAT divided into two competences (“dual VAT”): one federal (Contribution on Goods and Services – “CBS”) and one sub-national (Tax on Goods and Services – “IBS”), which will replace the taxes currently known as PIS, COFINS, ICMS, and ISS.

A Selective Tax (“IS”) [a type of excise tax] was also created, under federal jurisdiction, which will apply to the production, extraction, trading or import of goods and services that are harmful to health and the environment, under the terms of a Complementary Law (“LC”).

There will be a transition period from 2024 to 2032, in which the two tax systems – old and new – will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known when the process of regulating pending issues through a Complementary Law is finalized. Consequently, there is no effect of the Reform on the Parent company and consolidated interim condensed financial statements as of December 31, 2023.

2.3 Corporate restructuring

The Company and its subsidiaries, through its strategic plan of continuous growth and expansion via corporate restructuring, with the purpose of streamlining and unifying administrative activities, as well as achieving operational synergy gains, carried out the following merger events in the year ended December 31, 2023:

Company	Date of corporate merger and reorganization event	Net assets	Description
Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda.	03/01/2023	1,372	According to the Minutes of the Extraordinary General Meeting (EGM) held on March 01, 2023, the merger and justification protocol for the merger of Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda. by the subsidiary Ultra Som Serviços Médicos S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Sociedade Hospitalar de Uberlândia S.A. (Madrecor)	03/01/2023	4,129	According to the Minutes of the Extraordinary General Meeting (EGM) held on March 1, 2023, the merger and justification protocol for the merger of Sociedade Hospitalar de Uberlândia S.A. by the subsidiary Ultra Som Serviços Médicos S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
RN Metropolitan Ltda.	04/01/2023	76,861	According to the Minutes of the Extraordinary General Meeting (EGM) held on January 27, 2023, the merger and justification protocol for the merger of RN Metropolitan Ltda. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Laboratório Marques D'Almeida Ltda.	05/01/2023	3,786	On May 01, 2023, the merger and justification protocol for the merger of Laboratório Marques D'Almeida Ltda. by the subsidiary Centro Clínico Gaúcho Ltda. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Hospital CCG Saúde Ltda.	05/01/2023	108,330	On May 1, 2023, the merger and justification protocol for the merger of Hospital CCG Saúde Ltda. by the subsidiary Centro Clínico Gaúcho Ltda. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Gralha Azul Administração e Participação Ltda.	07/01/2023	80,827	On July 1, 2023, the merger and justification protocol for the merger of Gralha Azul Administração e Participações Ltda. by the subsidiary Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.

Hospital do Coração de Balneário Camboriú Ltda.	07/01/2023	29,430	On July 1, 2023, the merger and justification protocol for the merger of Hospital do Coração de Balneário Camboriú Ltda. by the subsidiary Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Hospital e Maternidade Santa Brígida S.A.	07/01/2023	26,442	On July 1, 2023, the merger and justification protocol for the merger of Hospital e Maternidade Santa Brígida S.A. by the subsidiary Clinipam – Clínica Médica Paranaense de Assistência Médica Ltda. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Hapvida Participações em Tecnologia Ltda.	09/01/2023	(655)	On September 1, 2023, the merger and justification protocol for the merger of Hapvida Participações em Tecnologia Ltda. by the subsidiary BCBF Participações S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Hospital Antônio Prudente Ltda.	12/01/2023	58,704	According to the Minutes of the Extraordinary General Meeting (EGM) held on September 25, 2023, the merger and justification protocol for the merger of Hospital Antônio Prudente Ltda. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
Ultra Som Serviços Médicos S.A.	12/01/2023	2,818,620	According to the Minutes of the Extraordinary General Meeting (EGM) held on September 25, 2023, the merger and justification protocol for the merger of Ultra Som Serviços Médicos S.A. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
São Francisco Sistemas de Saúde Sociedade Empresária Ltda.	12/01/2023	287,912	According to the Minutes of the Extraordinary General Meeting (EGM), held on September 25, 2023, the merger and justification protocol for the merger of São Francisco Sistemas de Saúde Sociedade Empresária Ltda. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
GSF Administração de Bens Próprios S.A.	12/01/2023	32,057	According to the Minutes of the Extraordinary General Meeting (EGM) held on September 25, 2023, the merger and justification protocol for the merger of GSF Administração de Bens Próprios S.A. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.
São Francisco Rede de Saúde Assistencial S.A.	12/01/2023	253,800	According to the Minutes of the Extraordinary General Meeting (EGM) held on September 25, 2023, the merger and justification protocol for the merger of São Francisco Rede de Saúde Assistencial S.A. by the subsidiary Hapvida Assistência Médica S.A. was approved. The valuation report of the accounting net assets of the merged company was issued by an independent company.

2.4 Restatement of current and comparative amounts

- The financial statements as of December 31, 2023, originally approved and issued on March 28, 2024, are being restated to include the impacts of the initial adoption of IFRS 17 (CPC 50) – Insurance Contracts, effective from January 1, 2023, replacing IFRS 4 (CPC 11) - Insurance Contracts, and to update subsequent events in note 41.

- IFRS 17 (CPC 50) brought significant changes to the measurement of individual contracts, introducing the concept of measuring insurance contracts through fulfillment cash flows. This includes estimates of future cash flows, adjusted to reflect the time value of money and associated financial risks, and a risk adjustment for non-financial risks, as detailed in notes 9(c)(vii) and (viii). These flows are projected considering a time horizon up to the expected lifetime of the last participant in the contract group, as detailed in note 9(c)(iii). Adjustments as of the transition date, January 1, 2022, substantially related to the adoption of the fair value measurement approach for individual contracts, are detailed in note 9(c)(xiv).
- For a better presentation and interpretation of information related to the Lease Liabilities, and to more accurately reflect the amount of short-term obligations the Company and its subsidiaries have, the Company and its subsidiaries made reclassifications of lease liabilities balances between short-term and long-term on the balance sheets as of January 1, 2022, and for the fiscal year ended December 31, 2022.

a) Statements of financial position – Years ended December 31, 2023 and 2022 and first-time adoption (“Transition”) on January 01, 2022.

	Parent Company		
	December 31, 2023		
	Original	Adjustment (i)	Restated
Statement of financial position			
Assets			
Current assets	1,301,507	-	1,301,507
Cash and cash equivalents	857,991	-	857,991
Short and long term investments	226,979	-	226,979
Recoverable taxes	203,423	-	203,423
Other assets	13,114	-	13,114
Non-current assets	57,498,333	161,585	57,659,918
Short and long term investments	133	-	133
Deferred tax assets	1,495,115	(328.046)	1.167.069
Judicial deposits	10,689	-	10,689
Other debits with related parties	1,688	-	1,688
Other assets	8,585	-	8,585
Investments	55,977,758	489.631	56.467.389
Property, plant and equipment	4,363	-	4,363
Intangible assets	2	-	2
Total assets	58,799,840	161,585	58,961,425
Liabilities and equity			
Current liabilities	2,073,295	-	2,073,295
Loans, financing and debentures	1,800,299	-	1,800,299
Suppliers	2,241	-	2,241
Social security charges	1,545	-	1,545
Taxes and contributions payable	20,145	-	20,145
Dividends and interest on shareholders’ equity payable	2,552	-	2,552
Leases payable	1	-	1
Other debits with related parties	224,261	-	224,261
Other accounts payable	22,251	-	22,251
Non-current liabilities	7,634,356	-	7,634,356
Loans, financing and debentures	7,610,115	-	7,610,115
Leases payable	167	-	167
Provision for tax, civil and labor risks	2,074	-	2,074
Other accounts payable	22,000	-	22,000
Equity	49,092,189	161,585	49,253,774
Total liabilities and equity	58,799,840	161,585	58,961,425

(i) Adjustments arising from the impacts on the shareholders’ equity of subsidiaries resulting from the remeasurement of contracts according to IFRS 17 (CPC 50) and the respective effects on their assets and liabilities.

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	Parent Company					
	December 31, 2022			January 01, 2022 - Transition		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Statement of financial position						
Assets						
Current assets	246,160	-	246,160	129,437	-	129,437
Cash and cash equivalents	3,242	-	3,242	5,375	-	5,375
Short and long term investments	230	-	230	-	-	-
Recoverable taxes	173,610	-	173,610	71,803	-	71,803
Dividends and interest on shareholders' equity receivable	47,821	-	47,821	47,001	-	47,001
Other assets	21,257	-	21,257	5,258	-	5,258
Non-current assets	54,740,199	179,747	54,919,946	15,103,966	1,122,028	16,225,994
Short and long term investments	673	-	673	2,673,392	-	2,673,392
Deferred tax assets	900,537	(156,891)	743,646	370,614	-	370,614
Judicial deposits	3,790	-	3,790	2,625	-	2,625
Other debits with related parties	345	-	345	345	-	345
Other assets	13,200	-	13,200	18,000	-	18,000
Investments	53,816,608	336,638	54,153,246	12,031,246	1,122,028	13,153,274
Property, plant and equipment	5,029	-	5,029	7,675	-	7,675
Intangible assets	17	-	17	69	-	69
Total assets	54,986,359	179,747	55,166,106	15,233,403	1,122,028	16,355,431
Liabilities and equity						
Current liabilities	928,344	-	928,344	731,260	-	731,260
Loans, financing and debentures	781,592	-	781,592	682,662	-	682,662
Suppliers	1,550	-	1,550	293	-	293
Social security charges	1,694	-	1,694	3,851	-	3,851
Taxes and contributions payable	4,799	-	4,799	5,110	-	5,110
Dividends and interest on shareholders' equity payable	2,552	-	2,552	20,497	-	20,497
Leases payable	148	-	148	1,277	-	1,277
Derivative financial instruments	18,468	-	18,468	-	-	-
Other debits with related parties	104,480	-	104,480	4,335	-	4,335
Other accounts payable	13,061	-	13,061	13,235	-	13,235
Non-current liabilities	5,308,578	-	5,308,578	3,930,002	-	3,930,002
Loans, financing and debentures	5,307,412	-	5,307,412	3,900,889	-	3,900,889
Leases payable	260	-	260	2,635	-	2,635
Provision for tax, civil and labor risks	906	-	906	26,478	-	26,478
Equity	48,749,437	179,747	48,929,184	10,572,141	1,122,028	11,694,169
Total liabilities and equity	54,986,359	179,747	55,166,106	15,233,403	1,122,028	16,355,431

(i) Adjustments arising from the impacts on the shareholders' equity of subsidiaries resulting from the remeasurement of contracts according to IFRS 17 (CPC 50) and the respective effects on their assets and liabilities

Statement of financial position	Consolidated		
	Original	Adjustment	Restated
Assets			
Current assets	10,527,252	(1,345,672)	9,181,580
Cash and cash equivalents	1,430,144	-	1,430,144
Short and long term investments	5,573,479	-	5,573,479
Trade accounts receivable	1,610,003	(1,134,270) (i)	475,733
Insurance contract assets	-	153,693 (i)	153,693
Inventories	318,605	-	318,605
Recoverable taxes	835,057	-	835,057
Deferred sales expenses	391,228	(391,228) (i/ii)	-
Other assets	353,856	26,133 (iii)	379,989
Net assets of subsidiaries intended for sale	14,880	-	14,880
Non-current assets	64,628,589	(624,024)	64,004,565
Short and long term investments	886,276	-	886,276
Deferred tax assets	3,096,139	494,776 (iv)	3,590,915
Judicial deposits	2,226,206	-	2,226,206
Deferred sales expenses	570,132	(570,132) (i/ii)	-
Derivative financial instruments	772	-	772
Other debits with related parties	5,219	-	5,219
Other assets	121,774	-	121,774
Investments	5,518	-	5,518
Property, plant and equipment	6,882,558	-	6,882,558
Intangible assets	50,833,995	(548,668) (v)	50,285,327
Total assets	75,155,841	(1,969,696)	73,186,145
Liabilities and equity			
Current liabilities	8,538,348	(1,865,667)	6,672,681
Loans, financing and debentures	2,109,941	-	2,109,941
Suppliers	292,018	25,843 (iii)	317,861
Technical reserves for health care operations	3,999,446	(3,999,446) (i/iii)	-
Insurance contract liabilities	-	2,165,974 (i)	2,165,974
Debits from health care operations	58,038	(58,038) (i)	-
Social security charges	657,640	-	657,640
Taxes and contributions payable	467,460	-	467,460
Income tax and social contribution	28,261	-	28,261
Dividends and interest on shareholders' equity payable	12,629	-	12,629
Leases payable	475,179	-	475,179
Derivative financial instruments	25,088	-	25,088
Other debits with related parties	5,737	-	5,737
Other accounts payable	406,911	-	406,911
Non-current liabilities	17,523,935	(265,614)	17,258,321
Loans, financing and debentures	9,416,473	-	9,416,473
Taxes and contributions payable	161,394	-	161,394
Technical reserves for health care operations	945,451	(945,451) (i/iii)	-
Leases payable	2,862,830	-	2,862,830
Deferred tax liabilities	1,263,524	578,014 (iv)	1,841,538
Provision for tax, civil and labor risks	1,267,316	-	1,267,316
Derivative financial instruments	24,100	-	24,100
Other accounts payable	1,582,847	101,823(i)	1,684,670
Equity attributable to controlling shareholders	49,092,189	161,585	49,253,774
Non-controlling interest	1,369	-	1,369
Total equity	49,093,558	161,585	49,255,143
Total liabilities and equity	75,155,841	(1,969,696)	73,186,145

- (i) The balances of insurance contract premiums receivable, health care provisions, and liabilities from pre-established health care contracts are remeasured in accordance with IFRS 17 and presented based on the net expected cash flows for each portfolio of the company, under the headings of insurance contract assets or insurance contract liabilities. Notes 20 (a), (b), and (c) provide all the movements of the net cash flows of the portfolios during the reporting period. In addition to the presentation in different headings, there are impacts resulting from the projection of cash

flows for individual contracts that consider a time horizon up to the end of the life expectancy of all insured within the group of contracts as mentioned in note 9(c)(iv).

- (ii) The values of deferred acquisition costs are no longer presented for pre-established individual insurance contracts, only for group contracts, and, as mentioned in item (i), are included in the balance sheet under the heading insurance contract assets and insurance contract liabilities, considering the position of net projected cash flows for the company's portfolios.
- (iii) The values of premiums receivable and technical provisions for post-established plans measured in accordance with IFRS 15 are reclassified and presented under Other Assets and Suppliers, respectively.
- (iv) The values of deferred tax assets and liabilities were impacted by the remeasurements of contracts initially applying IFRS 17 (CPC 50).
- (v) Adjustment to goodwill resulting from onerous contracts (counterpart of the liability for remaining coverage - LRC).

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	December 31, 2022			January 01, 2022 - Transition		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Statement of financial position						
Assets						
Current assets	7,931,902	(335,985)	7,595,917	3,318,191	992,577	4,310,768
Cash and cash equivalents	1,267,915	-	1,267,915	347,256	-	347,256
Short and long term investments	3,331,741	-	3,331,741	1,720,024	-	1,720,024
Trade accounts receivable	1,480,801	(1,077,393) (i)	403,408	474,304	(380,116) (i)	94,188
Insurance contract assets	-	1,213,348 (i/ii)	1,213,348	-	1,575,585 (i/ii)	1,575,585
Inventories	280,759	-	280,759	156,933	-	156,933
Recoverable taxes	708,114	-	708,114	237,873	-	237,873
Derivative financial instruments	-	-	-	7,753	-	7,753
Deferred sales expenses	471,940	(471,940) (i)/(ii)	-	221,496	(221,496) (i/ii)	-
Other assets	390,632	-	390,632	152,552	18,604 (iii)	171,156
Non-current assets	65,281,828	(1,019,386)	64,262,442	18,041,864	(172,025)	17,869,839
Short and long term investments	1,265,000	-	1,265,000	5,790,808	-	5,790,808
Deferred tax assets	2,504,883	485,419 (iv)	2,990,302	1,034,446	-	1,034,446
Judicial deposits	1,822,767	-	1,822,767	417,478	-	417,478
Deferred sales expenses	510,212	(510,212) (i/ii)	-	172,025	(172,025) (i/ii)	-
Other debits with related parties	3,498	-	3,498	3,525	-	3,525
Other assets	113,620	-	113,620	56,138	-	56,138
Investments	6,367	-	6,367	-	-	-
Property, plant and equipment	7,304,735	-	7,304,735	3,010,935	-	3,010,935
Intangible assets	51,750,746	(994,593) (v)	50,756,153	7,556,509	-	7,556,509
Total assets	73,213,730	(1,355,371)	71,858,359	21,360,055	820,552	22,180,607
Liabilities and equity						
Current liabilities	7,474,525	(879,861)	6,594,664	3,184,452	(757,583)	2,426,869
Loans, financing and debentures	1,726,508	-	1,726,508	713,250	-	713,250
Suppliers	414,703	56,364 (iii)	471,067	173,441	115,302 (iii)	288,743
Technical reserves for health care operations	3,636,795	(3,636,795) (i/iii)	-	1,549,059	(1,549,059) (i/iii)	-
Insurance contract liabilities	-	2,546,770 (i)	2,546,770	-	592,008 (i)	592,008
Debits from health care operations	13,240	(13,240) (i)	-	11,830	(11,830) (i)	-
Social security charges	647,753	-	647,753	270,561	-	270,561
Taxes and contributions payable	436,350	-	436,350	207,332	-	207,332
Income tax and social contribution	31,798	-	31,798	58,645	-	58,645
Dividends and interest on shareholders' equity payable	13,604	-	13,604	31,859	-	31,859
Leases payable	143,471	207,815 (vi)	351,286	57,035	95,996 (vi)	153,031
Derivative financial instruments	18,468	-	18,468	-	-	-
Other debits with related parties	3,998	-	3,998	13,208	-	13,208
Other accounts payable	387,837	(40,775) (i)	347,062	98,232	-	98,232
Non-current liabilities	16,982,494	(655,257)	16,327,237	7,602,609	456,107	8,058,716
Loans, financing and debentures	9,991,173	-	9,991,173	4,882,681	-	4,882,681
Suppliers	-	2,635 (i)	2,635	-	-	-
Taxes and contributions payable	157,076	-	157,076	123,181	-	123,181
Technical reserves for health care operations	871,480	(871,480) (i/iii)	-	25,911	(25,911) (i/iii)	-
Leases payable	2,206,573	(207,815) (vi)	1,998,758	1,076,590	(95,996) (iv)	980,594
Deferred tax liabilities	808,303	578,014 (iv)	1,386,317	166,052	578,014 (iv)	744,066
Provision for tax, civil and labor risks	1,360,974	-	1,360,974	428,791	-	428,791
Derivative financial instruments	42,184	-	42,184	18,289	-	18,289
Other accounts payable	1,544,731	(156,611) (i)	1,388,120	881,114	-	881,114
Equity attributable to controlling shareholders	48,749,437	179,747	48,929,184	10,572,141	1,122,028	11,694,169
Non-controlling interest	7,274	-	7,274	853	-	853
Total equity	48,756,711	179,747	48,936,458	10,572,994	1,122,028	11,695,022
Total liabilities and equity	73,213,730	(1,355,371)	71,858,359	21,360,055	820,552	22,180,607

(i) The balances of insurance contract premiums receivable, health care provisions, and liabilities from pre-established health care contracts are remeasured in accordance with IFRS 17 and presented based on the net expected cash flows

for each company portfolio, under the headings of insurance contract assets or insurance contract liabilities. Notes 20 (a), (b), and (c) provide all the movements of the net cash flows of the portfolios during the reporting period. In addition to the presentation in different headings, there are impacts resulting from the projection of cash flows for individual contracts that consider a time horizon up to the end of the life expectancy of all insured within the group of contracts as mentioned in note 9(c)(iv).

- (ii) The values of deferred acquisition costs are no longer presented for pre-established individual insurance contracts, only for group contracts, and, as mentioned in item (i), are included in the balance sheet under the headings insurance contract assets and insurance contract liabilities, considering the position of net projected cash flows for the company's portfolios.
- (iii) The values of premiums receivable and technical provisions for post-established plans measured in accordance with IFRS 15 are reclassified and presented under Other Assets and Suppliers, respectively.
- (iv) The values of deferred tax assets and liabilities were impacted by the remeasurements of contracts initially applying IFRS 17 (CPC 50).
- (v) Adjustment to goodwill resulting from onerous contracts (counterpart of the liability for remaining coverage - LRC).
- (vi) For better presentation and interpretation of the information related to the heading Leases Payable and to better reflect the short-term obligations of the Company and its subsidiaries, reclassifications were made between short-term and long-term liabilities.

b) Statements of profit or loss - Years ended December 31, 2023 and 2022.

	Parent Company					
	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Statement of profit or loss						
Sales expenses	(626)	-	(626)	(349)	-	(349)
Administrative expenses	(876,355)	503,395	(372,960)	(1,284,584)	461,445	(823,139)
Equity in net income of subsidiaries	680,643	(350,403)	330,240	712,092	(1,246,835)	(534,743)
Other operating (expenses) revenues, net	(56,695)	-	(56,695)	119	-	119
Subtotal	(253,033)	152,992	(100,041)	(572,722)	(785,390)	(1,358,112)
(Loss) before financial income (loss) and taxes	(253,033)	152,992	(100,041)	(572,722)	(785,390)	(1,358,112)
Net financial (expenses)	(1,081,313)	-	(1,081,313)	(734,435)	-	(734,435)
Income (loss) before income tax and social contribution	(1,334,346)	152,992	(1,181,354)	(1,307,157)	(785,390)	(2,092,547)
Income tax and social contribution	-	-	-	-	-	-
Income tax and deferred contribution	594,577	(171,154)	423,423	529,923	(156,891)	373,032
(Loss) for the year	(739,769)	(18,162)	(757,931)	(777,234)	(942,281)	(1,719,515)
(Loss per share – basic and diluted)	(0,10)		(0,10)	(0,11)	(0,14)	(0,25)

(i) Adjustments from impacts on the results of subsidiaries, arising from the remeasurement of contracts according to IFRS 17 (CPC 50).

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	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Statement of profit or loss						
Net revenue from services rendered	27,383,408	(26,415,390) (i)	968,018	23,748,803	(22,761,227) (i)	987,576
Insurance revenue	-	26,801,772 (i)	26,801,772	-	22,824,151 (i)	22,824,151
Costs of services rendered	(20,314,699)	18,448,998 (ii)	(1,865,701)	(18,093,707)	15,884,691 (ii)	(2,209,016)
Insurance expense	-	(22,864,213) (ii)	(22,864,213)	-	(21,603,850) (ii)	(21,603,850)
Gross income	7,068,709	(4,028,833)	3,039,876	5,655,096	(5,656,235)	(1,139)
Sales expenses	(2,083,280)	1,798,651 (ii)	(284,629)	(1,820,449)	1,568,755 (ii)	(251,694)
Administrative expenses	(4,391,220)	2,720,687 (ii)	(1,670,533)	(4,542,423)	2,514,386 (ii)	(2,028,037)
Other operating (expenses) revenues, net	86,943	-	86,943	551,909	-	551,909
Subtotal	(6,387,557)	4,519,338	(1,868,219)	(5,810,963)	4,083,141	(1,727,822)
(Loss) before financial income (loss) and taxes	681,152	490,505	1,171,657	(155,867)	(1,573,094)	(1,728,961)
Net financial (expenses)	(1,354,870)	(518,024)	(1,872,894)	(1,291,942)	145,394	(1,146,548)
Income (loss) before income tax and social contribution	(673,718)	(27,519)	(701,237)	(1,447,809)	(1,427,700)	(2,875,509)
Income tax and deferred contribution	(66,174)	9,357	(56,817)	671,970	485,419	1,157,389
(Loss) from continued operations for the year	(739,892)	(18,162)	(758,054)	(775,839)	(942,281)	(1,718,120)
Income from discontinued operations for the year	645	-	645	-	-	-
(Loss) for the year	(739,247)	(18,162)	(757,409)	(775,839)	(942,281)	(1,718,120)
(Loss per share – basic and diluted)	(0.10)		(0.10)	(0.11)	(0.14)	(0.25)

- (i) Insurance revenues, in accordance with IFRS 4 (CPC 11), were presented under the line item "net revenue from services rendered," alongside revenues from IFRS 15 (CPC 47). With the adoption of IFRS 17 (CPC 50), insurance contract revenues are now presented under the line item "Insurance revenue."
- (ii) According to IFRS 17 (CPC 50), expenses allocated to insurance contracts, such as administrative expenses, sales expenses, and claims expenses, are presented under the line item "Insurance expenses."

c) Statement of cash flow – Years ended December 31, 2023 and 2022

	Parent Company					
	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Statement of cash flows						
(Loss) for the year	(739,769)	(18,162)	(757,931)	(777,234)	(942,281)	(1,719,515)
Reconciliation adjustments to cash (loss)						
Depreciation and amortization	738,237	(503,395)	234,842	766,674	(461,445)	305,229
Equity in net income of subsidiaries	(680,643)	350,403	(330,240)	(712,092)	1,246,835	534,743
Deferred taxes	(594,577)	171,154	(423,423)	(529,923)	156,891	(373,032)
Other adjustments to (loss) changes	1,173,770	-	1,173,770	1,144,805	-	1,144,805
Subtotal	(102,982)	-	(102,982)	(107,770)	-	(107,770)
Changes in asset and liability accounts						
Other changes in operating activities	12,724	-	12,724	(104,634)	-	(104,634)
Net cash (used) generated in operating activities	(90,258)	-	(90,258)	(212,404)	-	(212,404)
Net cash (used in) generated in investment activities	(470,386)	-	(470,386)	(403,598)	-	(403,598)
Net cash generated (used) in financing activities	1,415,393	-	1,415,393	613,869	-	613,869
Increase (Decrease) in cash and cash equivalents	854,749	-	854,749	(2,133)	-	(2,133)

(i) Adjustments from impacts on the results of subsidiaries, resulting from the remeasurement of contracts according to IFRS 17 (CPC 50).

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	Consolidated					
	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Statement of cash flows						
(Loss) for the year	(739,247)	(18,162)	(757,409)	(775,839)	(942,281)	(1,718,120)
Reconciliation adjustments to cash (loss)						
Depreciation and amortization	1,915,465	(503,395)	1,412,070	1,981,288	(461,445)	1,519,843
Technical reserves for health care operations	(22,714)	22,714	-	47,545	(47,545)	-
Impairment loss on trade receivables	550,175	(510,532)	39,643	424,837	(387,741)	37,096
Amortization of deferred sales expenses	664,417	(664,417)	-	645,690	(645,690)	-
Deferred taxes	(124,539)	(9,357)	(133,896)	(694,551)	(485,419)	(1,179,970)
Other adjustments to (loss) changes	1,985,097	-	1,985,097	1,509,458	-	1,509,458
Subtotal	4,228,654	(1,683,149)	2,545,505	3,138,428	(2,970,121)	168,307
Changes in asset and liability accounts						
Trade accounts receivable	(662,904)	559,569	(103,335)	(886,997)	822,634	(64,363)
Insurance contract assets	-	1,091,360	1,091,360	-	1,533,778	1,533,778
Other assets	86,667	(26,294)	60,373	185,361	(778,157)	(592,796)
Deferred sales expenses	(643,625)	643,625	-	(746,251)	746,251	-
Technical reserves for health care operations	389,140	(389,140)	-	150,254	(150,254)	-
Debits from health care operations	43,094	(43,094)	-	1,410	(1,410)	-
Suppliers	(124,577)	(33,156)	(157,733)	(29,060)	(142,962)	(172,022)
Insurance contract liabilities	-	(389,241)	(389,241)	-	1,161,285	1,161,285
Other accounts payable	74,552	269,520	344,072	(156,750)	(221,044)	(377,794)
Other changes in operating activities	(1,060,140)	-	(1,060,140)	(684,488)	-	(684,488)
Net cash (used) generated in continued operating activities	2,330,861	-	2,330,861	971,907	-	971,907
Net cash (used) generated in discontinued operating activities	3,805	-	3,805	-	-	-
Net cash (used) generated in operating activities	2,334,666	-	2,334,666	971,907	-	971,907
Net cash (used) generated in continued investment financing activities	(848,465)	-	(848,465)	2,099,888	-	2,099,888
Net cash (used) generated in discontinued investment financing activities	(29,167)	-	(29,167)	-	-	-
Net cash (used in) generated in investment activities	(877,632)	-	(877,632)	2,099,888	-	2,099,888
Net cash (used) generated in continued financing activities	(1,286,775)	-	(1,286,775)	(2,151,136)	-	(2,151,136)
Net cash (used) generated in discontinued financing activities	8,666	-	8,666	-	-	-
Net cash generated (used) in financing activities	(1,278,109)	-	(1,278,109)	(2,151,136)	-	(2,151,136)
Increase (Decrease) in cash and cash equivalents from continued operations	195,621	-	195,621	920,659	-	920,659
Increase (Decrease) in cash and cash equivalents from discontinued operations	(16,696)	-	(16,696)	-	-	-
Increase (Decrease) in cash and cash equivalents	178,925	-	178,925	920,659	-	920,659

(i) Adjustments from the impacts arising from the remeasurement of contracts of the Company's subsidiaries according to IFRS 17 (CPC 50) and the respective effects on their assets, liabilities and income (loss).

d) Statement of Value Added

Parent Company

	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Revenue (1)	4,448	-	4,448	268	-	268
Other (expenses) income	4,448	(4,448)	-	268	(268)	-
Others	-	4,448	4,448	-	268	268
Inputs acquired from third parties (2)	(15,159)	-	(15,159)	5,117	(25,572)	(20,455)
Materials, energy, services from third parties, and others	(15,159)	15,159	-	5,117	(5,117)	-
Materials, energy, and others	-	(4,209)	(4,209)	-	(2,727)	(2,727)
Third-party services, net commissions	-	(10,950)	(10,950)	-	(17,728)	(17,728)
Gross value added (1) - (2) = (3)	(10,711)	-	(10,711)	5,385	(25,572)	(20,187)
Depreciation and amortization (4)	(738,241)	503,395	(234,846)	(767,441)	461,445	(305,996)
Net added value produced by the Company (4) - (5) = (6)	(748,952)	503,395	(245,557)	(762,056)	435,873	(326,183)
Value added received in transfers (8)	723,282	(349,031)	374,251	803,380	(1,221,099)	(417,718)
Equity in net income of subsidiaries	680,643	(350,403)	330,240	712,092	(1,246,836)	(534,744)
Financial income	44,011	-	44,011	91,929	-	91,929
Others	(1,372)	1,372	-	(641)	25,737	25,096
Undistributed value added from continued operations (6) + (7) = (8)	(25,670)	154,364	128,694	41,324	(785,226)	(743,902)
Distribution of added value						
Personnel	(117,247)	-	(117,247)	(517,568)	-	(517,568)
Direct remuneration	(117,020)	-	(117,020)	(517,396)	-	(517,396)
Benefits	(131)	-	(131)	(77)	-	(77)
F,G,T,S,	(96)	-	(96)	(95)	-	(95)
Taxes, fees, and contributions	572,230	(171,153)	401,077	480,255	(156,891)	323,364
Federal	572,419	(171,153)	401,266	480,477	(156,891)	323,586
State	(175)	-	(175)	-	-	-
Municipal	(14)	-	(14)	(222)	-	(222)
Remuneration of third-party capital	(1,169,082)	(1,373)	(1,170,455)	(781,245)	(165)	(781,410)
Interest	(1,108,069)	-	(1,108,069)	(781,229)	-	(781,229)
Rents	-	-	-	165	(165)	-
Others	(61,013)	(1,373)	(62,386)	(181)	-	(181)
Remuneration of own capital	739,769	18,162	757,931	777,234	942,282	1,719,516
Retained earnings/(losses)	739,769	18,162	757,931	777,234	942,282	1,719,516
Distributed value added	25,670	(154,364)	(128,694)	(41,324)	785,226	743,902

(i) Adjustments resulting from the impacts arising from the remeasurement of contracts of the Company's subsidiaries by IFRS 17 (CPC 50) and their respective effects on their results. As highlighted in explanatory note No. 5, the Company adhered in advance, as allowed by CVM Resolution No. 199, to CPC 09 (R1), since they have contracts within the scope of IFRS 17 (CPC 50).

vtHapvida Participações e Investimentos S.A.
Parent company and consolidated financial statements as of
December 31, 2023

Consolidated

	December 31, 2023			December 31, 2022		
	Original	Adjustment (i)	Restated	Original	Adjustment (i)	Restated
Revenues (1)	28,307,320	1,140,868	29,448,188	24,289,672	450,665	24,740,337
Revenues from issued insurance operations	-	26,801,772	26,801,772	-	22,824,151	22,824,151
Operating revenue	28,458,800	(28,458,800)	-	24,640,572	(24,640,572)	-
Outras (despesas) receitas	406,000	(406,000)	-	73,937	(73,937)	-
Provisão para perdas sobre créditos	(557,480)	557,480	-	(424,837)	424,837	-
Outras	-	2,693,364	2,693,364	-	1,953,282	1,953,282
Estimated losses on doubtful accounts - Reversal / (Formation)	-	(46,948)	(46,948)	-	(37,096)	(37,096)
Expenses (2)	-	(23,156,675)	(23,156,675)	-	(21,632,051)	(21,632,051)
Expenses with issued insurance operations	-	(22,864,213)	(22,864,213)	-	(21,603,850)	(21,603,850)
Other	-	(292,462)	(292,462)	-	(28,201)	(28,201)
Inputs purchased from third parties (3)	(19,314,434)	18,023,931	(1,290,503)	(17,102,808)	15,704,436	(1,398,372)
Costs of services rendered	(13,350,619)	13,350,619	-	(12,696,246)	12,696,246	-
Materials, energy, outsourced services and other	(5,963,815)	5,963,815	-	(4,406,562)	4,406,562	-
Materials, energy and others	-	(580,895)	(580,895)	-	(683,688)	(683,688)
Third-party services, net comissions	-	(709,608)	(709,608)	-	(714,684)	(714,684)
Gross added value (1) - (2) - (3) = (4)	8,992,886	(3,991,876)	5,001,010	7,186,864	(5,476,950)	1,709,914
Depreciation and amortization (5)	(2,128,516)	1,645,151	(483,365)	(2,187,283)	1,503,292	(683,991)
Net added value produced by the Company (4) - (5) = (6)	6,864,370	(2,346,725)	4,517,645	4,999,581	(3,973,658)	1,025,923
Added value received as transfer (7)	1,286,354	1,836,092	3,122,446	898,336	2,230,960	3,129,296
Equity in net income of subsidiaries	(53)	53	-	-	-	-
Financial income	1,108,190	(78,443)	1,029,747	927,537	(63,056)	864,481
Others	178,217	1,914,482	2,092,699	(29,201)	2,294,016	2,264,815
Undistributed value added from continued operations (6) + (7) = (8)	8,150,724	(510,633)	7,640,091	5,897,917	(1,742,698)	4,155,219
Undistributed value added from discontinued operations (9)	645	-	645	-	-	-
Total added value payable (8) + (9)	8,151,369	(510,633)	7,640,736	5,897,917	(1,742,698)	4,155,219
Distribution of added value						
Personnel	(3,897,082)	983,204	(2,913,878)	(4,209,590)	816,614	(3,392,976)
Direct remuneration	(3,283,478)	990,988	(2,292,490)	(3,462,351)	821,261	(2,641,090)
Benefits	(377,979)	(2,677)	(380,656)	(330,813)	(2,462)	(333,275)
F,G,T,S,	(235,625)	(5,107)	(240,732)	(416,426)	(2,185)	(418,611)
Taxes, fees, and contributions	(2,013,655)	(58,130)	(2,071,785)	(830,724)	461,851	(368,873)
Federal	(1,526,348)	(58,130)	(1,584,478)	(450,541)	461,851	11,310
State	(1,735)	-	(1,735)	(1,238)	-	(1,238)
Municipal	(485,572)	-	(485,572)	(378,945)	-	(378,945)
Remuneration of third-party capital	(2,979,879)	(432,603)	(3,412,482)	(1,633,442)	(478,049)	(2,111,491)
Interest	(2,071,842)	(653,246)	(2,725,088)	(2,012,620)	(60,543)	(2,073,163)
Rents	(38,737)	(7,970)	(46,707)	(55,139)	35,921	(19,218)
Others	(869,300)	228,613	(640,687)	434,317	(453,427)	(19,110)
Remuneration of own capital	739,247	18,162	757,409	775,839	942,282	1,718,121
Retained earnings/(losses)	739,769	18,162	757,931	777,234	942,282	1,719,516
Non-controlling interest in retained (losses)/retained earnings	(522)	-	(522)	(1,395)	-	(1,395)
Distributed added value	(8,151,369)	510,633	(7,640,736)	(5,897,917)	1,742,698	(4,155,219)

(i) Adjustments resulting from the impacts arising from the remeasurement of contracts of the Company's subsidiaries under IFRS 17 (CPC 50) and their respective effects on their results. As highlighted in explanatory note No. 5, the Company and its

subsidiaries adhered in advance, as permitted by CVM Resolution No. 199, to CPC 09 (R1), since they have contracts within the scope of IFRS 17 (CPC 50).

e) Transferred consideration (Remeasurement of intangible assets from GNDI acquisition)

As a result of the adoption of IFRS 17 (CPC 50), the Company and its subsidiaries present the impacts on the remeasurement of intangible assets identified in the business combination of the NotreDame Intermédica Group (GNDI). The remeasurement was carried out considering the date of February 1, 2022.

	Previous Value (A)	IFRS 17 Adjustments (CPC 50) (B)	Remeasured Value (A) + (B)
Total consideration transferred (C)	41,887,388	-	41,887,388
Assets acquired and liabilities assumed at fair value (i) (B)	11,087,841	1,519,601	12,607,442
Goodwill Reversal from Customer Portfolio (ii) (E)	-	(2,475,023)	(2,475,023)
Impact of Onerous Contracts (iii) (F)	-	(63,563)	(63,563)
Intangible Assets = (C) - (D) - (E) - (F)	30,799,547	1,018,985	31.818.532

- (i) Adjustments arising from: i) remeasurement of insurance contracts at the business combination date; resulting from the adoption of IFRS 17 (CPC 50) with impacts on goodwill; ii) reversal of goodwill from the customer portfolio remeasurement of assets and liabilities by IFRS 417 (CPC 50); and iii) impact on goodwill resulting from onerous contracts (counterpart of the contract liability for remaining coverage - LRC). As described in IFRS 17 (CPC 50), for onerous acquired insurance contracts, the entity recognized the excess of the cash flows of fulfillment over the consideration paid as part of goodwill for contracts acquired in the business combination.

2.5 Clarification on Official Letter 13/2024/CVM/SEP/GEA-2

As disclosed in the Material Fact dated January 19, 2024, the Company clarifies that it received notification from the Public Ministry of the State of São Paulo regarding a civil proceeding that investigates issues related to assistance coverage and compliance with court decisions. The Company informs that it has presented the relevant clarifications and will monitor the progress of such proceeding.

3 Subsidiaries

The Parent Company and Consolidated financial statements include the following direct and indirect subsidiaries of Hapvida Participações e Investimentos S.A.:

Entity	Core business	Acquisition date	Merger date	12/31/2023		12/31/2022	
				Direct	Indirect	Direct	Indirect
Hapvida Assistência Médica S.A. (a)	Health care plan	-	-	100%	-	96.35%	3.65%
Ultra Som Serviços Médicos S.A. (b)	Health	-	12/01/2023	-	-	100%	-
RN Metropolitan Ltda.	Health care plan	01/01/2020	04/01/2023	-	-	-	100%
Hospital Antônio Prudente Ltda.	Health	-	12/01/2023	-	-	100%	-
Hapvida Participações em Tecnologia Ltda. (c)	Technology	-	09/01/2023	-	-	100%	-
Hapvida Call Center e Tecnologia Ltda. (c)	Technology	-	-	-	100%	-	100%
Maida Health Participações Societárias S.A. (c) ***	Technology	09/01/2019	-	-	75.00%	-	75.00%
Maida Haptech Soluções Inteligentes Ltda. (c) ***	Technology	-	-	-	74.99%	-	74.99%
Maida Infoway Tecnologia e Gestão em Saúde Ltda. (c) ***	Technology	09/01/2019	-	-	74.99%	-	74.99%
Tercepta Consultoria em Informática Ltda. (c) ***	Technology	09/01/2021	-	-	75.00%	-	75.00%
São Francisco group							
São Francisco Sistemas de Saúde S/E Ltda. (d)	Holding	-	12/01/2023	-	-	-	99.99%
São Francisco Rede de Saúde Assistencial S.A.	Health	-	12/01/2023	-	-	-	99.99%
GSF Administração de Bens Próprios S.A.	Asset management	-	12/01/2023	-	-	-	99.99%
São Francisco Resgate Ltda. **	Health	-	-	-	-	-	100%
Pró-Infância SJC Hospital e Pronto Socorro Pediátrico Ltda.	Health	12/01/2020	03/01/2023	-	-	-	73.80%
Sociedade Hospitalar de Uberlândia S.A. (Madrecor)	Health	11/01/2021	03/01/2023	-	-	-	99.42%
Lifeplace Hapvida Ltda.	Agency services	-	-	100%	-	100%	-
Lifeplace Maida Ltda. ***	Agency services	-	-	-	75.00%	-	75.00%
HB Saúde Group (f)							
H.B. Saúde S.A. *	Health care plan	-	-	-	100%	-	-
H.B. Saúde Prestação de Serviços Médicos Ltda. *	Health	-	-	-	100%	-	-
H.B. Saúde Centro de Diagnóstico Ltda. *	Health	-	-	-	100%	-	-
Centro Integrado de Atendimento Ltda. *	Health	-	-	-	100%	-	-
Grupo Notre Dame Intermédica – GNDI (e)							
Notre Dame Intermédica Participações S.A.	Holding	-	-	100%	-	100%	-
BCBF Participações S.A.	Holding	-	-	18.85%	81.15%	-	100%
Notre Dame Intermédica Saúde S.A.	Health care plan	-	-	-	100%	-	100%
São Lucas Saúde S.A.	Health care plan	-	-	-	100%	-	100%
São Lucas Serviços Médicos Ltda.	Health	-	-	-	100%	-	100%
Hospital São Lucas S.A.	Health	-	-	-	87.75%	-	87.07%
Clínipam – Clín. Médica Paranaense de Assistência Médica Ltda	Health care plan	-	-	-	100%	-	100%
Gralha Azul Administração e Participação Ltda.	Asset management	-	07/01/2023	-	-	-	100%
Hospital do Coração de Balneário Camboriú Ltda.	Health	-	07/01/2023	-	-	-	98.99%
Hospital e Maternidade Santa Mônica S.A.	Health	-	-	-	99.94%	-	99.89%
INCORD – Inst. de Neurologia e de Coração de Divinópolis Ltda.	Laboratorial	-	-	-	100%	-	100%
Bioimagem Diag. por Imagem e Lab. de Análises Clín. Ltda.	Laboratorial	-	-	-	96.33%	-	96.33%
SMV Serviços Médicos Ltda.	Management	-	-	-	99.30%	-	99.30%
Hospital e Maternidade Santa Brígida S.A.	Health	-	07/01/2023	-	-	-	99.87%
Lifecenter Sistema de Saúde S.A.	Health	-	-	-	100%	-	100%
Bio Saúde Serviços Médicos Ltda.	Health care plan	-	-	-	100%	-	100%
Hospital do Coração de Londrina Ltda.	Health	-	-	-	100%	-	100%
Notre Dame Intermédica Minas Gerais Ltda.	Holding	-	-	-	100%	-	100%
Notre Dame Intermédica Minas Gerais Saúde S.A.	Health care plan	-	-	-	100%	-	99.78%
Hospital e Maternidade Maringá S.A.	Health	-	-	-	100%	-	100%
IMESA – Instituto de Medicina Especializada Alfenas S.A.	Health	-	-	-	99.77%	-	99.74%
Hospital Varginha S.A.	Health	-	-	-	99.87%	-	99.56%
Casa de Saúde e Maternidade Santa Martha S.A.	Health	-	-	-	100%	-	100%
CCG Participações S.A.	Holding	-	-	-	100%	-	100%
Centro Clínico Gaúcho Ltda.	Health care plan	-	-	-	100%	-	100%
Centro Gaúcho de Medicina Ocupacional Ltda. **	Occupational medicine	-	-	-	-	-	100%
Hospital Centro Clínico Gaúcho Saúde Ltda.	Health	-	05/01/2023	-	-	-	100%
Laboratório Marques D'Almeida Ltda.	Laboratory	-	05/01/2023	-	-	-	100%
Hospital do Coração Duque de Caxias Ltda.	Health	-	-	-	100%	-	100%

* Companies acquired in 2023, as described in Note 4.

** Companies sold in 2023, as described in Note 40.

*** Companies classified as Available for sale, as described in Note 40.

The main subsidiaries operate with the following activities:

(a) Hapvida Assistência Médica S.A.

The insurance company came into operation on July 15, 1991, and is registered in the National Regulatory Agency for Private Health Insurance and Plans (ANS) under nº 36.825-3. It is primarily engaged in the sale of health and dental insurance plans focused on providing health care assistance through the network of companies under control of the Company and its subsidiaries.

(b) Ultra Som Serviços Médicos S.A.

It started operations on February 25, 1988 and is mainly engaged in: providing medical and paramedical services, laboratory, diagnostic, imaging and ultrasound services, embracing all fields of medicine, as well as the interest, as partner or shareholder in other companies.

On December 01, 2023, Ultra Som Serviços Médicos S.A. was merged into Hapvida Assistência Médica S.A.

(c) Hapvida Participações em Tecnologia Ltda. and subsidiaries.

It started its activities in May 2011, being engaged in holding interests in other companies as a partner or shareholder, mainly technology companies.

Niche of activities of the Company and its subsidiaries (healthtech) with the purpose of fostering access to healthcare through technology, innovation and transformation. The subsidiaries operate in the provision of healthcare management systems services, advisory and deployment of healthcare management models.

On September 01, 2023, the holding company Hapvida Participações em Tecnologia Ltda. was merged by the subsidiary BCBF Participações S.A. and, consequently, its investments were assumed by said subsidiary.

(d) São Francisco Sistema de Saúde S/E Ltda.

Headquartered in Ribeirão Preto - SP, it is engaged in the administration, advisory, deployment and trading of individual, family and collective healthcare systems and plans, through its own means or hiring and/or accreditation of legally qualified third parties, as well as the reimbursement of medical, dental, hospital and outpatient expenses to its beneficiaries; outpatient medical care; and the organization of courses, lectures, seminars and other events in its area of activity.

São Francisco Sistema de Saúde S/E Ltda had its activities related to the healthcare operator migrated to Hapvida Assistência Médica S.A. in October 2021.

On August 08, 2022, according to Official Letter 392/2022/COCAL/GERER/GGAER/DIRAD-DIOPE/DIOPE, the cancellation was carried out at the request of ANS registration 30.209-1 as operator of São Francisco Sistemas de Saúde S/E Ltda., which was analyzed in administrative proceeding 33910.033291/2022-22, in accordance with Article 23 of Normative Resolution (RN) 543/2022, considering that all legal requirements and assumptions have been met.

On December 01, 2023, São Francisco Sistema de Saúde S/E Ltda. was merged by Hapvida Assistência Médica S.A.

(e) Grupo Notre Dame Intermédica – GNDI

Founded in 1968 and domiciled in Brazil, with headquarters in São Paulo/SP, the Notre Dame Intermédica Group operates healthcare plans, dental plans and occupational health. Its own Service Network has a robust structure of hospitals, Clinical Centers, Independent Emergency Rooms, Preventive Medicine Centers, clinical analysis collection points, imaging exam units and Health Centers exclusively dedicated to the elderly. One of its main concepts is excellence in care management based on better patient reception and safety.

(f) HB Saúde Group

Founded in 1998, HB Saúde Group is made up of a healthcare operator of the same name, a hospital, outpatient units, a children's clinic, clinical and diagnostic centers, preventive and occupational medicine spaces and an oncology center, located mainly in the municipalities of São José do Rio Preto and Mirassol, in São Paulo.

The region of operation covers, in addition to São José do Rio Preto, the regions of Barretos, Fernandópolis, Votuporanga, Catanduva, Araçatuba, Três Lagoas and Uberaba. The transaction brought synergy to the operations of the Hapvida Notredame Intermédica Group from a geographic and operational perspective, since the city of São José do Rio Preto is located approximately 200 km from Ribeirão Preto and Uberaba, cities with acquired operations and recently integrated by the Company and its subsidiaries.

4 Business combinations

New business combinations carried out in 2023 are presented below.

Acquisitions occurred in 2023

4.1 Acquisition of HB Saúde Group

On January 2, 2023, the Company, through its subsidiary Hapvida Assistência Médica S.A., after completing approvals from regulatory bodies, and complying with the precedent conditions provided for in the Contract, completed the acquisition of the HB Saúde Group, in line with its domestic expansion and consolidation strategy.

The HB Saúde Group of São José do Rio Preto (SP) is made up of the following entities: H.B. Saúde S/A, H.B. Saúde Prestação de Serviços Médicos Ltda., Centro Integrado de Atendimento Ltda. and HB Saúde Centro de Diagnóstico Ltda. (HB Saúde Group and HBS TRANSACTION, respectively). HB Saúde Group is made up of the healthcare operator of the same name, the HBS Mirassol Hospital, eight outpatient units, a children's clinic, clinical and diagnostic centers, preventive and occupational medicine spaces and an oncology center, located mainly in the municipalities of São José do Rio Preto and Mirassol, in São Paulo.

The region of operation covers, in addition to São José do Rio Preto, the regions of Barretos, Fernandópolis, Votuporanga, Catanduva, Araçatuba, Três Lagoas and Uberaba, with a population of 3.8 million inhabitants and around 1.1 million beneficiaries of private healthcare plans. The HBS transaction is synergistic from a geographic and operational perspective, since the city of São José do Rio Preto is located approximately 200 km from Ribeirão Preto and Uberaba, cities with operations acquired and integrated by the Hapvida NotreDame Intermédica Group. The acquisition of HB Saúde Group is another important step in the growth strategy and to gain market share in the state of São Paulo and expand the potential for vertical growth in the region.

(a) Consideration transferred

	Previous Value (A)	IFRS 17 Adjustments (CPC 50) (B)	Remeasured Value (A) + (B)
Total consideration transferred (C)	650,000	-	650,000
Assets acquired and liabilities assumed at fair value (i) (B)	116,824	57,631	174,455
Goodwill Reversal from Customer Portfolio (ii) (E)	-	(29,743)	29,743
Impact of Onerous Contracts (iii) (F)	-	(161)	(161)
Intangible Assets = (C) - (D) - (E) - (F)	533,176	(27,727)	505,449

- (i) Adjustments arising from: i) remeasurement of insurance contracts at the business combination date; resulting from the adoption of IFRS 17 (CPC 50) with impacts on goodwill; ii) reversal of goodwill from the customer portfolio remeasurement of assets and liabilities by IFRS 417 (CPC 50); and iii) impact on goodwill resulting from onerous contracts (counterpart of the contract liability for remaining coverage - LRC). As described in IFRS 17 (CPC 50), for onerous acquired insurance contracts, the entity recognized the excess of the cash flows of fulfillment over the consideration paid as part of goodwill for contracts acquired in the business combination.

Consideration (Cash installment)	615,641
Contingent consideration	34,359
Total consideration transferred	650,000

(b) Fair value measurement

Item “(c)” below of this Note demonstrates the consideration transferred and the fair values of the assets acquired and liabilities assumed on the acquisition date. They were obtained through fair value measurement techniques prepared by an independent consultant engaged by the Company and its subsidiaries to support the Management’s conclusion.

Fair value measurement of assets acquired and liabilities assumed was initially carried out on an interim basis, with the process completed within the period of issuance of these parent company and consolidated financial statements.

The valuation techniques used to measure the fair value of significant assets were as follows, with the choice of methodology applied to each class of asset being related to their nature and role in the business operation:

Assets	Valuation method
Intangible asset – Life portfolio	Income approach (Multi-Period Excess Earnings)
Property, plant and equipment	Replacement cost

A presentation of the valuation methods is presented below:

- **Replacement cost** – It is the current cost of a similar new good, whose equivalent utility is the closest to the good being valued.
- **Multi-Period Excess Earnings Model – MPEEM** – This method measures the present value of future earnings to be generated over the remaining useful life of a given asset. Operating costs and expenses are discounted from the future cash flows directly attributable to the asset, and the charges on the identified contributing assets directly

related to the asset in question (*Contributory Charges*) are subtracted from the resulting margin to arrive at the free flows to be discounted for present value calculation.

(c) Goodwill and measurement

The following table demonstrates the consideration transferred and the fair values of assets and liabilities at the acquisition date.

	Net assets acquired at fair value - Final	Adjustment - IFRS 17 (CPC 50) (i)	Acquired net assets - Remeasured
Consideration transferred (1)	650,000	-	650,000
Assets			
Cash and cash equivalents	3,194	-	3,194
Short and long term investments	60,057	-	60,057
Trade accounts receivable	16,473	(7,840)	8,633
Insurance contract assets	-	31,705	31,705
Inventories	3,925	-	3,925
Recoverable taxes	1,643	-	1,643
Judicial deposits	4,482	-	4,482
Other assets	649	-	649
Property, plant and equipment	60,270	-	60,270
Intangible assets	70,009	-	70,009
Total assets acquired at fair value	220,702	23,865	244,567
Liabilities			
Borrowings and financing	(9,334)	-	(9,334)
Suppliers	(4,653)	-	(4,653)
Technical reserves for health care operations	(70,196)	70,196	-
Insurance contract liabilities	-	(8,445)	(8,445)
Debits from health care operations	(1,704)	1,704	-
Social security charges	(3,425)	-	(3,425)
Income tax and social contribution	(3)	-	(3)
Taxes and contributions payable	(2,571)	-	(2,571)
Provision for tax, civil and labor risks	(4,537)	-	(4,537)
Leases payable	(7,384)	-	(7,384)
Deferred tax liabilities	-	(29,689)	(29,689)
Other accounts payable	(71)	-	(71)
Total liabilities assumed at fair value	(103,878)	33,766	(70,112)
Assets acquired and liabilities assumed at fair value (2)	116,824	57,631	174,455
Intangible assets (1) - (2) - Remeasurement of contracts by IFRS 17 (CPC 50)	533,176	(27,727)	505,449

- (i) Adjustments from the impacts arising from the remeasurement of contracts according to IFRS 17 (CPC 50) and the respective effects on assets and liabilities.

The amounts related to goodwill and surplus will be deductible for income tax and social contribution purposes. The value represents the expected future profitability, based on expected benefits from the synergy of the Company and its subsidiaries.

Trade accounts receivable are comprised of gross contract amounts, after eliminations of R\$ 8,688, of which R\$ 55 are estimated as non-recoverable.

5 Basis of preparation

Statement of compliance

(a) Parent company and consolidated financial statements

The parent company and consolidated interim condensed financial statements were prepared according to the accounting practices adopted in Brazil, including the pronouncements, interpretations and guidance issued by Accounting Pronouncement Committee (CPC) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) (currently called “IFRS accounting standards”), including interpretations issued by IFRS Interpretations Committee (IFRIC) and evidence all information of financial statements, and only them, which are consistent with those used by Management in its administration.

(b) Statement of added value

The presentation of the Parent Company and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The IFRS do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

On February 9, 2024, the Brazilian Securities and Exchange Commission (CVM) approved Resolution CVM No. 199, which makes it mandatory for publicly traded companies to adopt Technical Pronouncement CPC 09 (R1) – Value Added Statement, issued by the Accounting Pronouncements Committee (CPC).

The Resolution comes into effect on March 1, 2024, applying to fiscal years beginning on or after January 1, 2024.

The Resolution allows, in its Sole Paragraph, the early adoption of Technical Pronouncement CPC 09 (R1) by entities that have contracts within the scope of Technical Pronouncement CPC 50 – Insurance Contracts.

Given that they have contracts within the scope of IFRS 17 (CPC 50), the Company and its subsidiaries have opted for early adoption, as permitted by CVM Resolution No. 199, of CPC 09 (R1).

6 Functional and presentation currency

These parent company and consolidated financial statements are being presented in Reais, functional currency of the Company and its subsidiaries. All balances have been rounded to the nearest thousand, except when otherwise indicated.

7 Use of estimates and judgments

The preparation of these parent company and consolidated financial statements, Management used judgments, estimates and assumptions that affect the application of accounting principles of the Company and its subsidiaries, and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews of estimates are recognized on a prospective basis.

(a) Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the parent company and consolidated financial statements are included in the following notes:

- **Note 4** – Business combination. Determination of the fair value of assets acquired and liabilities assumed, based on the choice of a specific methodology for each class of asset/liability, as well as the determination of the fair value of the contingent consideration;
- **Note 13** - Provision for impairment of accounts receivable. Recognition and measurement of the provision for the recoverable value of trade accounts receivable, based on assumptions about the risk of default and defined expected loss rates. Judgments are applied to establish these assumptions and select data for calculating impairment, based on the history of receivables of the Company and its subsidiaries, existing market conditions and future estimates at the end of each year.
- **Note 18** - Review of economic useful life of property, plant and equipment. Estimate of useful life of property, plant and equipment to determine the depreciation rate over our assets;
- **Note 19** - Intangible assets. Determination of estimated useful life of intangible assets, and as a result, of the amortization rate to be used in the calculation and book records in the income (loss) for the period/year. Goodwill impairment test. Recoverable amounts of Cash Generating Units (CGUs) were determined based on the value in use calculations, by an external specialized advisory hired by the Company and its subsidiaries, which were, in turn, based on estimates and budgetary projections approved by the Management;
- **Note 20** – Insurance contracts. Classification of insurance contracts, considering whether the contract transfers significant insurance risks, level of aggregation of insurance contracts: the identification of contract portfolios and the determination of groups of contracts that are onerous upon initial recognition and those that have no significant possibility of becoming onerous later and the measurement of insurance contracts: determining cash flow estimation techniques (BBA), risk adjustments for non-financial risks, and coverage units provided under a contract. Moreover, it also includes, in the transition to IFRS 17 (CPC 50), the determination of the fair value for the group of contracts (individual) to which the fair value approach was used for initial recognition, and the determination whether reasonable and with sufficient support are available to apply a full retrospective approach to the group of contracts (collective) for which this approach was applied upon initial recognition.
- **Note 22** – Leases payable and Sale & Leaseback (SLB). The Company and its subsidiaries are not able to determine the implicit discount rate to be applied to their lease contracts. Therefore, the lessee’s incremental borrowing rate is used to calculate the present value of lease liabilities at the initial recording of the lease. The loan incremental interest rate of the lessee is the interest rate that the lessee would have to pay when

borrowing funds for the acquisition of an asset similar to the asset object of the lease agreement for a similar term and with similar collateral, the funds required to obtain the asset with a value similar to the right-of-use asset, in a similar economic environment. Sale & Leaseback (SLB): The determination of gain or loss in the transaction, based on the fair value of the assets sold.

- **Note 25** - Provision for tax, civil and labor risks. The Company and/or its subsidiaries are parties to administrative and judicial claims of a labor, tax, civil and regulatory nature, in which they establish accounting provisions in relation to claims assessed as probable losses. The determination of loss probability is carried out by carrying out the assessment of available evidence, law hierarchy, available case laws, the most recent decisions in courts and its relevance to the legal system, as well as opinions of its legal advisors;
- **Note 28** - Share-based remuneration. Determination of the methodology for pricing options on the share grant dates; and
- **Note 35** - Deferred income tax and social contribution. Determination of realization and availability of future taxable income against which deductible temporary differences and tax losses may be used; and
- **Note 36** – Financial instruments and risk management. Determination of fair value of derivative and non-derivative financial instruments.

(b) *Uncertainties on critical assumptions and estimates*

Accounting estimates and judgments are constantly assessed and are based on prior experience and other factors, including expected future events considered as reasonable in view of circumstances of the Company and its subsidiaries. Reviews of accounting estimates are recognized in the period in which the estimates are made. The actual results in future periods may be different from those estimates and judgments.

The Company and its subsidiaries make use of assumptions to establish estimates for the future. By definition, resulting accounting estimates are seldom equal to the respective taxable income. The estimates and assumptions which present a significant risk, possibility of causing an important adjustment to the book value of assets and liabilities are shown below:

- **Note 4** - Acquisition of subsidiary. Determination of the fair value of the consideration transferred (including contingent consideration) and the fair value of the assets acquired and liabilities assumed, based on the choice of specific methodology for each class of asset/liability;
- **Note 13** - Provision for impairment of accounts receivable. Recognition and measurement of the provision for the recoverable value of trade accounts receivable, based on assumptions about the risk of default and defined expected loss rates. Judgments are applied to establish these assumptions and select data for calculating impairment, based on the history of receivables of the Company and its subsidiaries, existing market conditions and future estimates at the end of each year;
- **Note 18** - Review of economic useful life of property, plant and equipment. Estimate of useful life of property, plant and equipment to determine the depreciation rate over our assets;

- **Note 19** - Determination of estimated useful life of intangible assets, and as a result, of the amortization rate to be used in the calculation and book records in the income (loss) for the period/year. Goodwill impairment test. Recoverable amounts of Cash Generating Units (CGUs) were determined based on the value in use calculations, by an external specialized advisory hired by the Company and its subsidiaries, which were, in turn, based on estimates and budgetary projections approved by the Management;
- **Note 20** – Insurance contracts: in determining the assumptions used in the measurement of insurance contracts, in determining the techniques for estimating cash flows and risk adjustments for non-financial risks, in the discount rate and in the recognition of CSM - Contractual Service Margin. And in the transition – fair value approach for the group of contracts in individual portfolios;
- **Note 22** – Leases payable. Determination of the lease term and definition of the discount rate to be applied to lease contracts. The Company and its subsidiaries are not able to determine the implicit discount rate to be applied to their lease contracts. Therefore, the lessee’s incremental borrowing rate is used to calculate the present value of lease liabilities at the initial recording of the lease. The loan incremental interest rate of the lessee is the interest rate that the lessee would have to pay when borrows funds for the acquisition of asset similar to the asset object of the lease agreement for a similar term and with similar collateral, the funds required to obtain the asset with a value similar to the right-of-use asset, in a similar economic environment.
- **Note 25** - Provision for tax, civil and labor risks. The Company and/or its subsidiaries are parties to administrative and judicial claims of a labor, tax, civil and regulatory nature, in which they establish accounting provisions in relation to claims assessed as probable losses. The determination of loss probability is carried out by carrying out the assessment of available evidence, law hierarchy, available case laws, the most recent decisions in courts and its relevance to the legal system, as well as opinions of its legal advisors;
- **Note 28** - Share-based remuneration. Determination of the methodology for pricing options on the share grant dates; and
- **Note 35** - Deferred income tax and social contribution. Determination of realization and availability of future taxable income against which deductible temporary differences and tax losses may be used.

(c) Fair value measurement

A number of the Company and its subsidiary’s accounting policies and disclosures requires the measurement of fair value, for both financial and non-financial assets and liabilities.

The Company and its subsidiaries establish a control structure for measurement of fair value. This includes an assessment team that has overall responsibility for reviewing all significant fair value measurements, which discusses strategies for establishing the breakdown of the investment portfolio in the Finance and Capital Markets Committee.

Appraisal team regularly reviews significant non-observable data and valuation adjustments. If third-party information, such as brokerage firms’ quotes or pricing services, is used to measure fair value, then the management assesses the evidence obtained from the third parties to support

the conclusion that such valuations meet the requirements of IFRS/CPC standards, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company and its subsidiaries use market observable data as much as possible. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- **Level 1:** prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for assets or liabilities, which are not based on observable market data (non-observable inputs).

The Company and its subsidiaries recognize transfers between fair value hierarchic levels at the end of the period/year of parent company and consolidated financial statements in which changes occurred.

Additional information on the assumptions adopted in the measurement of fair values is included in the following notes:

- **Note 4** – Business combinations;
- **Note 22** – Leases payable – Sale & Leaseback operation; and
- **Note 36** - Financial Instruments.

8 Basis of measurement

The parent company and consolidated statements were prepared based on the historical cost, except for the following items which are measured at fair value (as described below) and recognized in the statements of financial position:

- derivative financial instruments (at each base date);
- short and long term investments – Investment funds (at each base date);
- contingent payments assumed in a business combination (on each base date); and
- insurance contracts in the individual healthcare and dental segments on the transition date, January 01, 2022, from IFRS 17/CPC 50.

9 Material accounting policies

The Company and its subsidiaries have adopted the accounting policies described below have been consistently applied to all the years presented in these parent company and consolidated financial statements, unless otherwise indicated.

(a) Consolidation basis

(i) Business combinations

Business combinations are recorded using acquisition method, when control is transferred to the Group. The consideration transferred is measured at fair value, as well as the identifiable net assets acquired. Gains in a bargain purchase are immediately recognized in income (loss). Transaction costs are recorded in income (loss) as incurred, except for costs related to the issue of debt or equity instruments.

Transferred consideration does not include amounts referring to payment of pre-existing relations. Those amounts are recognized in the income (loss) for the year.

Any contingent consideration payable is measured at its fair value on acquisition date. If the payment is classified as an equity instrument, then it is not remeasured and the settlement is recorded in the equity. The remaining contingent consideration is remeasured at fair value on each reporting date, and subsequent changes in fair value are recognized in the statement of profit or loss for the year.

(ii) Subsidiaries

The Company and its subsidiaries control an entity when they are exposed to, or have a right over the variable returns arising from their involvement with the entity and have the ability to affect those returns exerting their power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date the Company and its subsidiaries obtain the control until the date such control ceases.

The parent company financial statements, financial information of the subsidiaries is recognized under the equity method.

(iii) Non-controlling interest

The Group regards transactions with non parent company interests as transactions with the owners of Group's assets. For purchases of non-controlling ownership shareholders, the difference between any considerations paid and the acquired portion of the book value of the subsidiary is recorded in equity. Gains or losses on disposals for non-controlling interest are also directly recorded in the equity under "Equity valuation adjustments".

(iv) Loss of control

When the Company and its subsidiaries lose its control over a subsidiary, assets and liabilities and any non-controlling interest and other components recorded in the equity regarding this subsidiary are derecognized. Any gain or loss resulting from loss of control is recognized in income (loss). If the Company and its subsidiaries hold any in interest in former subsidiary, this interest is measured at fair value on the date control is lost.

(v) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses derived from intragroup transactions, are eliminated. Unrealized gains originating from transactions with investee recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of impairment loss.

(b) Revenue from contracts with clients

The Company and its subsidiaries operate in the provision of clinical, hospital, laboratory and diagnostic services, in addition to the provision of post-payment healthcare and dental care plan administration services. Services are sold in separate contracts, individually by customer or grouped together as a service package. The Company and its subsidiaries adopt as a policy for recognizing revenue related to these services the criteria provided for in IFRS 15 (CPC 47) – Contracts with Customers.

(c) Insurance contracts

IFRS 17 (CPC 50) replaced IFRS 4 (CPC 11) - Insurance Contracts and came into force on January 01, 2023, with retrospective adoption as of January 01, 2022.

(i) Identifying contracts within the scope of IFRS 17 (CPC 50)

IFRS 17 (CPC 50) establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

The Company and its subsidiaries sell: a) health insurance plans being also responsible for the majority of health care at its own network (hospitals, clinics, imaging diagnostics and laboratories); and (b) dental insurance plans with services provided through an accredited network. In these operations, depending on the type of contracting (modality), the Company's healthcare operators/subsidiaries accept the significant insurance risk or not. There are two types of contracts, as described below:

Pre-established: the beneficiary pays a fixed fee and, in return, the Company and its subsidiaries bear the beneficiary's risks (in terms of when it will occur, if it will occur and how much the disbursement will be), according to the contract, with the risk being transferred from the beneficiary to the operator, being therefore classified within the scope of IFRS 17 (CPC50) and recognized as an insurance contract.

Post-established: the beneficiary carries out procedures and appointments and pays the amount provided for in the contract, and must pay the amounts in the subsequent month, that is, the insured fully bears the randomness of the risks that exist for this type of contract. Thus, this nature of contract does not fall within the scope of IFRS 17 (CPC 50), given that there is no transfer of risk between operator and beneficiary, being therefore classified within the scope of IFRS 15 (CPC 47) and recognized as a contract with customers, according to note (b).

(ii) Aggregation level

In accordance with IFRS 17 (CPC 50), insurance contracts are aggregated into groups for measurement purposes. Contract groups are determined by first identifying contract portfolios, each one comprising contracts subject to similar risks and managed together. Contracts in different product lines or issued by different entities of the Company and its subsidiaries are in different portfolios. Each portfolio is then broken down into annual vintages (i.e., by subscription year) and each annual vintage is broken down in three groups:

- Any contracts that are onerous upon initial recognition;
- Any contracts that, upon initial recognition, do not have any significant possibility of becoming onerous later;
- Any contracts remaining in the annual vintage.

When a contract is recognized, it is added to an existing contract group, or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts can be added.

The level of aggregation requirements of IFRS 17 (CPC 50) limits the offsetting of gains on groups of profitable contracts, which are generally deferred as a Contractual Service Margin (CSM), with losses on groups of onerous contracts, which are recognized immediately.

(iii) Fulfillment cash flows that are within the contract limit

IFRS 17 (CPC 50) provides for that cash flows within the insurance contract limit are those that directly refer to the fulfillment of the contract, including cash flows whose value or timing are at the discretion of the entity. Cash flows within the limit include:

- (a) premiums (including premium adjustments and installment premiums) of the policyholder and any additional cash flows resulting from those premiums;
- (b) payments to (or on behalf of) the policyholder, including claims that have already been reported but have not yet been paid (i.e., reported claims), claims incurred for events that have occurred, but in relation to which the claims were not reported, and all future claims in relation to which the entity has a substantive obligation (include the direct costs of the vertical and integrated network);
- (c) the allocation of cash flows from insurance acquisitions attributable to the portfolio to which the contract belongs;
- (d) other costs incurred under performance contracts comprise both direct costs and the allocation of fixed and variable overheads;
- (e) claims handling costs (i.e. the costs that the entity will incur to investigate, handle and resolve claims under existing insurance contracts, including claims adjuster and legal fees for adjustments and internal claims investigation costs and processing of claims payments);
- (f) costs that the entity will incur in providing contractual benefits paid for in goods or services;
- (g) plan maintenance and management costs, such as costs of collecting premiums and processing plan changes (e.g., conversions and reprocessing);
- (h) taxes and other costs specifically chargeable to policyholders in accordance with the conditions of the contracts;
- (i) payments by the operator, in the fiduciary capacity of meeting tax obligations incurred by the policyholder and respective receipts;

(iv) Contractual limit

The contract limit is related to the cash flows of a given insurance contract, which result from substantive rights and obligations existing during the base date or in which the Group may oblige the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage). A substantive obligation to provide services ends when:

- The Group has the practical ability to reassess the risks of the specific insured and may set a price or benefit level that fully reflects these reassessed risks;
- The Group has the practical ability to reassess the risk of the portfolio of insurance contracts containing the contract and can set a price or benefit level that fully reflects the risks of that portfolio; and the price of premiums up to the reassessment date does not consider risks related to periods after the reassessment date.

After analyzing insurance contracts sold by the Group, in the individual healthcare and dental segment, we observed that their contractual limits are generally greater than the 12-month period and whose renewal is guaranteed annually. Therefore, in accordance with IFRS 17 (CPC 50), cash flows related to renewals of said contracts (i.e., the guaranteed renewable terms) will be within the contract limit. This happens since the Group does not have the practical ability to reassess policyholder risks at the individual contract or portfolio level.

However, collective contracts, whether dental or healthcare plans, tend to be contracts that have a contractual limit equal to or less than the 12-month period.

(v) Segregation of contract components

Insurance contracts are classified into three different types of components that must be accounted for separately if certain criteria are met:

- Embedded derivatives;
- Investment component; and
- Commitments to transfer distinct goods or services not related to insurance.

Through analysis of the Group's insurance contracts, no separate components of the main insurance contract have been identified.

(vi) Insurance purchase cash flows - Contracts in the individual healthcare and dental segments

Insurance acquisition cash flows result from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. According to IFRS 17 (CPC 50), insurance acquisition cash flows are allocated to groups of contracts using systematic and rational methods for insurance contracts.

The Company and its subsidiaries do not have cash flows from the acquisition of insurance arising before the recognition of related insurance contracts. Therefore, these cash flows are not recognized as assets and, thus, the recoverability test in these cases is not applicable.

(vii) Measurement – Overview

The entity must recognize a group of insurance contracts that it issues upon the following events, whichever occurs first: (a) the beginning of the coverage period of the group of contracts; (b) the maturity date of the policyholder's first payment in the group; and (c) for a group of onerous contracts, when the group becomes onerous.

IFRS 17 (CPC 50) introduces a measurement model based on weighted discounted cash flows. The measurement includes an estimate of discounted future cash flows, adjusted for non-financial risk, which is determined actuarially, and a contractual service margin (CSM). The application of the Group's General Measurement Model (BBA) is presented in item (viii) below.

The Premium Allocation Approach (PAA) is an optional simplified measurement model under IFRS 17 (CPC 50) that is available for insurance contracts that meet the eligibility criteria. The application of the PAA by the Group is presented in item (x) below.

After applying the principles provided for by the standard, the Group's respective portfolios were identified together, considering similarity of risk and management. In the context of segregation, different terms were observed in the contracts. Therefore, they are accounted for by different measurement models, as shown below:

Portfolio	Measurement model
Individual Health	BBA
Individual Dental	BBA
Collective Healthcare	PAA
Collective Dental	PAA

Fulfillment cash flows for contracts not measured by the PAA

Fulfillment cash flows include:

- Estimates of future cash flows.
- An adjustment to reflect time value of money and financial risks related to future cash flows, to the extent that they are not included in estimates of future cash flows.
- A non-financial risk adjustment.

Estimates of future cash flows.

When estimating future cash flows, the Company and its subsidiaries incorporate all reasonable and supportable information that is available without undue cost or effort on the base date in an unbiased manner. This information includes internal and external historical claims data and other experience updated to reflect current expectations of future events.

When estimating future cash flows, the Company and its subsidiaries consider current expectations of future events that may affect these cash flows. However, expectations of future changes in legislation that could change or release an existing obligation or create new obligations under existing contracts are not considered until the change in legislation is substantively enacted.

Cash flows within the limit of a contract are directly related to the contractual performance, including those over which the Company and its subsidiaries have discretion over the value or term.

Insurance acquisition cash flows result from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs incurred in carrying out contracts include: claims handling, maintenance and management costs.

Insurance acquisition cash flows and other costs incurred in carrying out contracts include direct costs and an allocation of fixed and variable expenses.

(viii) Measurement – Contracts in the individual healthcare and dental segments

Upon initial recognition, the Group measures a group of contracts as the total of (a) fulfillment cash flows, including estimates of future cash flows, adjusted to reflect the time value of money and associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. Fulfillment cash flows of a group of contracts do not reflect the Group's risk of non-compliance.

- All cash flows are discounted using the risk-free profitability curves adjusted to reflect the liquidity characteristics of the contracts, as presented in item (xii) below;
- The risk adjustment for non-financial risk regarding a group of contracts determined separately from other estimates is the compensation that the Group requires to support uncertainty about the value and timing of cash flows arising from non-financial risk, as presented in item (xiii);
- The CSM of a group of contracts represents the undetermined income that the Company and its subsidiaries recognize when providing services under these contracts. Upon initial recognition of a group of contracts, the group is not onerous if the total of the following items is a net inflow:

- a) Fulfillment cash flows;

- b) Any cash flows that arise on that date;
- c) Any amount arising from the derecognition of any assets or liabilities previously recognized for related cash flows within the group.

In this case, the CSM is calculated as the amount equal and opposite to the net inflow, i.e., no revenues or expenses result from initial recognition. If the total is a net outflow, then the group is onerous and the loss component is recognized in income (loss); a loss component is created to represent the value of net cash outflow, establishing the amounts that are subsequently presented in income (loss) as reversals of losses on onerous contracts and excluded from insurance revenue.

Thereafter, the book value of a group of contracts at the reporting dates is the sum of the liability for remaining coverage and the liability for incurred claims. The remaining coverage liability includes (a) fulfillment cash flows related to services that will be provided under the contracts in future periods; and (b) any remaining CSM as of that date. Liabilities from incurred claims include cash flows from claims fulfillment and expenses incurred but not yet paid, including claims that have been incurred but not yet reported.

The contracts subject to the General Measurement Model (BBA) of the Company and its subsidiaries are those of the individual portfolio. The recognition of the portion of the Contractual Service Margin (CSM) in income (loss) is determined by the estimated number of people exposed to health risk projected for future periods.

(ix) Changes in fulfillment cash flows

- Fulfillment cash flows of groups of contracts are calculated on the base date using current estimates of future cash flows, discount rates and risk adjustment estimates for non-financial risk. Changes in realization cash flows are recognized as follows:

Changes related to future services	They impact CSM.
Changes related to current or past services	Recognized in the Insurance Result.
Effects of the time value of money.	Recognized as insurance financial revenues or expenses.

- The CSM on each base date represents the income in the group of contracts that has not yet been recognized in income (loss), as it is related to future service.

(x) Measurement – Contracts in the collective healthcare and dental segments

Upon initial recognition of each group of contracts in the collective healthcare and dental segments, the book value of the liability for remaining coverage is calculated by the premiums received on the date of initial recognition less any cash flows from insurance purchases. Upon initial recognition, the Company and its subsidiaries assume that no contract is onerous until facts and circumstances indicate otherwise.

Subsequently, the book value of the remaining coverage liability is increased by the premium received, net of the acquisition cash flows paid and plus any other amount relating to the amortization of insurance acquisition costs. The Group expects that the time between the provision of each part of the services and the related premium maturity date will not exceed one

year. Consequently, the Company and its subsidiaries will not adjust the liability for the remaining coverage to reflect the time value of money and the effect of financial risk.

If facts and circumstances indicate that a group of contracts is onerous during the coverage period, the Group will measure the remaining coverage liability in accordance with the General Measurement Model (BBA) and compare it with the remaining coverage liability in accordance with the premium allocation approach (PAA), if the liability according to the BBA measurement exceeds the value of the liability measured by the PAA, the Company will recognize this excess as a loss in insurance income and will increase the value of the liability by the same amount.

The Group applies the PAA model to all collective contracts in its portfolio, whether in the dental or healthcare segments, as the coverage period for these contracts is one year or less.

Liabilities from incurred claims include cash flows from claims fulfillment and expenses incurred but not yet paid, including claims that have been incurred but not yet reported, as well as an adjustment for non-financial risk. Future cash flows will be discounted (at current rates) unless they are to be paid in one year or less from the date the claims are incurred.

(xi) *Derecognition and contractual modification*

The Group derecognizes an insurance contract when, and only when: (a) it is extinguished, that is, when the obligations specified in the contract are liquidated or cancelled; and (b) if the terms of the insurance contract are modified, by agreement between the parties or by change in regulation.

An insurance contract will be considered modified when substantial modifications have occurred, such as:

- i) initial contractual terms: the modified contract would have been excluded from the scope as an insurance contract, the entity would have separated different components from the main insurance contract, the modified contract would have had a substantially different contract limit, or the modified contract would have been included in a different group of contracts;
- ii) the original contract meets the definition of an insurance contract with direct participation characteristics, but the modified contract no longer meets this definition, or vice versa;
- iii) the entity applied the original contract's premium allocation approach, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

If the contract modification does not meet any of the conditions mentioned above, the Group treats the changes in cash flows caused by the modification as changes in the fulfillment cash flow estimates.

(xii) *Discount rate*

The Group should adjust estimated future cash flows to reflect time value of money and financial risks related to these cash flows, to the extent that financial risks are not included in estimated cash flows.

Thus, discount rates applied to estimates of future cash flows must:

- a. reflect the time value of money;
- b. be consistent with market prices, in accordance with the characteristics of the contracts regarding duration, currency and liquidity; and

- c. exclude the effect of factors that influence such market prices, but that do not affect cash flows.

To determine discount rates, the Group chose to use the Bottom-Up approach across its entire portfolio. This methodology incorporates the risk-free Interest Rate Term Structure (fixed) with an additional liquidity premium. This premium considers the cost associated with possible losses and the need for rapid settlement of contracts. This choice is based on the high liquidity of the free risk curves, which mirror the characteristics of the cash flows of the Company and its subsidiaries.

The Group used the following yield curves to discount cash flows:

Curve	Annual rate				
	01 year	05 years	10 years	20 years	30 years
ETTJ	13.9%	13.3%	12.8%	12.6%	12.6%

(xiii) Non-financial risk adjustment

The Group must measure the Non-Financial Risk Adjustment for all insurance contracts upon initial recognition, which together with the estimates of future cash flows and the adjustment to reflect the time value of money, will form the balance of Fulfillment Cash Flows.

The non-financial risk adjustment is an adjustment to the projected cash flows that reflects the compensation that the entity requires for bearing uncertainty in relation to the amount and term of cash flows arising from non-financial risks inherent to the insurance contract.

Therefore, cash flow estimates must represent the entity's best estimate (expected value), leaving this estimate explicit of the adjustment for non-financial risk.

For the Remaining Provision for Coverage, the Group opted for the deterministic methodology in the stress testing of the main assumptions, estimating the probability distribution of the expected present value of future cash flows, with the risk adjustment for non-financial risk being the excess of the value at risk in the 60% percentile (confidence level).

For the Provision for Claims Incurred, the Company opted for the Bootstrapping methodology to estimate the volatility of claims and the risk adjustment is the excess of the value at risk at the 60% percentile (confidence level).

(xiv) Initial recognition - Transition

On January 01, 2022, the Company and its subsidiaries applied the following approaches to identify and measure groups of insurance contracts in the transition to IFRS 17 (CPC 50). As presented below:

Measurement model	Transition approach
BBA	Individual portfolios: Fair value approach.
PAA	Collective portfolios: Full retrospective approach

Under the full retrospective approach, on January 01, 2022, the Company and its subsidiaries:

- identified, recognized and measured each group of insurance contracts and as if IFRS 17 (CPC 50) had always been applied;

- derecognized any balances that would not exist if IFRS 17 (CPC 50) had always been applied. Some deferred costs of acquiring insurance contracts, insurance receivables and payables, as well as provisions attributable to existing insurance contracts, are included. Under IFRS 17 (CPC 50), they are included in the measurement of insurance contracts;

The Company and its subsidiaries considered the full retrospective approach unfeasible for individual portfolios due to the following circumstances:

- The effects of retrospective application were not determinable since the required information was not collected with sufficient granularity or is unavailable due to system migrations, data retention requirements, or other reasons. This information includes, for certain contracts:
 - Information on historical cash flows (including insurance acquisition cash flows and other cash flows incurred prior to recognition of related contracts) and discount rates required to determine estimates of cash flows upon initial recognition and subsequent changes in a retrospective basis;
 - Information on certain changes in assumptions and estimates, as they have not been documented on an ongoing basis.

Fair value approach

When applying the fair value approach, the Company and its subsidiaries determine the contractual service margin (CSM) or loss component of the coverage liability remaining on the transition date as the difference between the fair value of a group of insurance contracts on that date and the fulfillment cash flows measured on that transition date.

Considering the scenario of the Company and its subsidiaries, as it does not have sufficient information related to historical cash flows, the fair value approach was applied for all individual portfolios.

The fair value approach has the following transition features:

- **Grouping of contracts:** the grouping of contracts of different years of underwriting is allowed;
- **Initial expected cash flows:** it allows obtaining future cash flows based on assumptions corresponding to the moment of evaluation;
- **Discount rate:** use of the discount curve obtained according to the requirements of IFRS 17 (CPC 50) (Bottom-Up) with information upon transition; and
- **Risk adjustment:** calculation based on assumptions in effect upon transition.

The Fair Value methodology was applied in the indicated period due to the lack of consistent data available for the application of the Full Retrospective methodology by group of contracts.

Fair value transfer values were obtained using the discounted cash flow technique.

Quantitative information on fair value measurements using significant unobservable data (Level 3)				
Description		Transition		
Insurance Contracts	Fair value on 01/01/2022	Valuation techniques	Non-observable data	Bracket (weighted average)
Individual – BBA	1,552,023	Fair value through discounted cash flows	Loss Ratio Worsening (i)	17.40%
			Monthly Fee Adjustments	9.27%
			Medical inflation	15.75%
			Risk adjustment (ii)	1.6–5.7% (2.46%)

- (i) Represents values used when the entity determined that market participants would use this worsening scenario when estimating the loss ratio without the synergy effects of the operation.
- (ii) Represents values used when the entity determined that market participants use this adjustment to consider possible deviations that may occur in the cash flow value.

Full retrospective approach

To apply the full retrospective approach, the Group used all available historical data from the start date of the groups or vintages of the collective portfolios until the transition date. Considering that the Company and its subsidiaries had sufficient information related to historical cash flows for all collective portfolios, it was possible to apply the full retrospective approach.

(xv) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities are presented separately in the statement of financial position. Any assets or liabilities recognized for cash flows arising prior to recognition of the related group of contracts (including any assets for insurance acquisition cash flows) are included in the book value of the related contract portfolios.

Insurance revenue - Contracts in the individual healthcare and dental segments

The insurance revenue regarding the services provided for each year represents the total fluctuations in liabilities by remaining coverage concerning the current services for which the Company and its subsidiaries expect to receive consideration and comprises the following items:

- CSM release, measured based on coverage units provided.
- Changes in the adjustment to non-financial risk relating to current services;
- Expenses with claims and other insurance services incurred in the period/year, measured at the expected values at the beginning of the period/year; and
- Other amounts, if any, including experience adjustments for current or past service premium receipts.

Furthermore, the Group systematically allocates a portion of the premiums regarding the recovery of the insurance acquisition cash flows to each period based on the time elapsed. The Group recognizes the allocated sum, adjusted by adding interest to the discount rates fixed in the initial recognition of the related group of contracts, as insurance revenue and an equal sum as insurance expenses.

Insurance revenue - Contracts in the collective healthcare and dental segments

For contracts measured by the PAA, insurance revenue for each period is based on the value of expected premium receipts for the provision of services in the period and recognized in income (loss) based on the passage of time.

Loss components

For contracts not calculated based on the PAA, the Company and its subsidiaries establish a loss component in the liability for the remaining coverage for groups of onerous insurance contracts. The loss component establishes the amounts of fulfillment cash flows that are subsequently excluded from insurance revenue when they occur.

After the entity has recognized the loss in an onerous group of insurance contracts, it must allocate:

(a) the subsequent changes in cash flows from meeting the remaining hedging liability systematically between:

- (i) the loss component of the remaining coverage liability; and
- (ii) the remaining coverage liability, excluding the loss component;

(b) only to the loss component until that component is reduced to zero:

- (i) any subsequent reduction in fulfillment cash flows allocated to the group arising from changes in estimates of future cash flows and the adjustment for non-financial risks; and
- (ii) any subsequent increases in the value of the entity's interest in the fair value of the underlying items.

The entity must adjust the contractual insurance margin only for the excess of the reduction over the amount allocated to the loss component.

The subsequent changes in the fulfillment cash flows of the liability for remaining coverage to be allocated are:

- (a) estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of incurred insurance service expenses;
- (b) changes in the risk adjustment for non-financial risk recognized in profit or loss because of the release from risk; and
- (c) insurance finance revenues or expenses.

The systematic allocation result in the total amounts allocated to the loss component, being equal to zero by the end of the coverage period of a group of contracts.

The systematic basis is established by the ratio of the loss component to the total estimate of the present value of future cash outflows plus the risk adjustment for non-financial risk at the beginning of each period (or at initial recognition if a group of contracts is recognized at the beginning of the period).

If the loss component is reduced to zero, any excess value in relation to the value allocated as the loss component generates a new CSM for the group of contracts.

Insurance expenses

Insurance expenses arising from insurance contracts are recognized in profit or loss as they are incurred and comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortization of cash flows from acquisition of insurance: For contracts not measured by the PAA, it is equal to the amount of insurance revenue recognized in the year relating to the recovery of cash flows from the acquisition of insurance. For contracts measured by the PAA, the Group recognizes insurance acquisition costs as expenses based on the passage of time;
- Losses on onerous contracts and reversals of these losses;
- Adjustments to liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes thereto.

Insurance financial revenues and expenses

The financial insurance revenues and expenses include fluctuations in the book values of groups of insurance contracts caused by the effects of the temporal monetary value.

The Group chose not to segregate financial revenues and expenses between other comprehensive income and income (loss) for the year.

(d) Income tax and social contribution

Current and deferred income tax and social contribution for the year are calculated based on rates of 15%, plus additional 10% on taxable income exceeding R\$ 240,000 for income tax, and 9% on taxable income for social contribution on net income, considering offset of tax losses and social contribution negative basis, limited to 30% of taxable income for the year.

Income tax and social contribution expense comprises both current and deferred income tax and social contribution. Current and deferred taxes are recognized in income (loss) unless they are related to the business combination or items recognized directly in equity or in other comprehensive income.

(i) Expenses with current income tax and social contribution

Current tax expense is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. The amount of current taxes payable or receivable is recognized in the statement of financial position as an asset or tax liability under the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to its calculation, if any. It is measured based on tax rates enacted on the base date.

Current tax assets and liabilities are offset only if certain criteria are met.

i.1 Uncertainties over income tax treatment

The Company and its subsidiaries carried out the assessment and classification of tax positions, and evaluated possible quantitative and qualitative impacts for disclosure purposes, including:

- Identification of uncertain tax treatments;
- Classification and evaluation of uncertain tax treatments;

Based on the internal procedures adopted by the Company and its subsidiaries, we concluded that there was no relevant effect that would require accounting adjustments in tax provisions due to uncertainties in tax treatment.

(ii) Expenses with deferred income tax and social contribution

Deferred tax assets and liabilities are recognized in relation to the temporary differences between the book values of assets and liabilities for financial statement and used for taxation purposes. Changes in deferred tax assets and liabilities in the year are recognized as deferred income tax and social contribution expense. Deferred taxes are not recognized for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, and not affecting the taxable, accounting income (loss);
- Temporary differences related to investments in subsidiaries, associated companies and joint ventures, to the extent that Company and its subsidiaries are able to control the timing of the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future; and
- Taxable temporary differences arising from the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, tax credits and unused deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the credits will be utilized. Future taxable income is determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to fully recognize a deferred tax asset, the future taxable income, adjusted for reversals of the existing temporary differences, will be considered, based on the business plans of the parent company and of its subsidiaries, individually.

Deferred tax assets are reviewed on each base date and reduced when their realization is no longer probable. As of December 31, 2023, a large portion of the deferred tax assets is recorded on negative bases and tax losses.

Deferred tax assets and liabilities are measured at tax rates expected to be applied to temporary differences when they are reversed, based on rates decreed up to the base date and results in an uncertainty related to income tax (if any).

The measurement of deferred tax assets and liabilities reflects the tax consequences of how the Company and its subsidiaries expect to recover or settle their assets or liabilities.

Deferred tax assets and liabilities are only offset when certain criteria are met.

(iii) Global implementation of OECD “Pillar Two” model rules

In December 2021, the Organization for Economic Cooperation and Development (“OECD”) released the rules of the Pillar Two model, aiming to reform international corporate taxation to guarantee that multinational economic groups within the scope of such rules pay tax on the minimum actual profit at the rate of 15%. The effective income tax rate for each country, calculated in this model, was called “GloBE effective tax rate”. These rules must be approved by the local legislation of each country, with some having already enacted new laws or are in the process of discussion and approval. The application of rules and determination of impact is likely to be very complex, representing several practical challenges.

In May 2023, the IASB issued scope changes to IAS 12, “Income Taxes” to allow temporary relief in the accounting for deferred taxes arising from enacted or substantially enacted legislation implementing OECD Pillar Two.

Brazil has not yet endorsed the Pillar Two model rules in its local legislation to date. The Company and its subsidiaries expect not to be materially affected by these rules.

(e) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, including loan cost capitalized, net of accumulated depreciation and impairment losses.

When significant parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of property, plant and equipment item are recognized in income (loss).

(ii) Subsequent expenditures

Subsequent costs are capitalized in accordance with the probability that associated future economic benefits may be earned by the Company and its subsidiaries.

(iii) Depreciation

Depreciation is calculated to amortize the cost of fixed asset items, net of their estimated residual values, using the straight-line method based on estimated useful lives of items. Depreciation is recognized in income (loss). Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed on each base date and adjusted if appropriate.

(f) Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill is measured at cost, less accumulated impairment losses.

Other intangible assets

Other intangible assets acquired by the Company and its subsidiaries with defined useful lives are carried at cost, less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks and patents, are recognized in the income (loss) as incurred.

(iii) Amortization

Amortization is calculated using the straight-line method based on estimated useful lives of such items, net of estimated residual values. Amortization is recognized in income (loss). Goodwill is not amortized.

Amortization methods, useful lives and residual values are reviewed on each base date and adjusted if appropriate.

(g) Financial instruments

(i) Initial recognition, classification and measurement

Trade accounts receivable and debt securities issued are initially recognized on the date that they were originated. All other financial assets and liabilities are initially recognized when the Company and its subsidiaries become a party to the instrument's contractual provisions. Trade accounts receivable without a significant financing component is initially measured at the price of operation.

A financial asset (unless it is trade accounts receivable item without a material financing component) or a financial liability is initially measured at fair value, plus, for an item not measured at fair value through profit or loss (FVTPL), transaction costs which are directly attributable to its acquisition or issue.

Financial assets

In the initial recognition, a financial asset is classified as measured: at amortized cost; at Fair Value through Other Comprehensive Income (FVTOCI) - debt instrument; at FVTOCI - equity instrument; or to the FVTPL.

Financial assets are not reclassified after initial recognition, unless the Company and its subsidiaries change the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in the business model.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal value.

A debt instrument is measured at FVTOCI if it meets both conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose objective is achieved by both the collection contractual cash flows and selling financial assets; and
- Its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

In the initial recognition of an investment in an equity instrument not held for trading, the Company and its subsidiaries may irrevocably choose to present subsequent changes in the fair value of the investment in other comprehensive income (“OCI”). This choice is made through the analysis of each investment individually.

All financial assets not classified as measured at amortized cost as described above or at FVTOCI, are classified as FVTPL. It includes all derivative financial assets. At initial recognition, the Company and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as FVTOCI, as FVTPL if it eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Evaluation of business model

The Company and its subsidiaries and its subsidiaries carry out an evaluation of the purpose of the business in which a financial asset is held in the portfolio, since this better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and goals established for the portfolio and practical operation of these policies. Aims at identifying whether management's strategy focuses on obtaining contractual interest revenue, maintaining a certain interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the management of the Company and its subsidiaries;
- Risks that affect the performance of the business model (and the financial assets held in that business model) and the way those risks are managed;
- How business managers are remunerated - for example, if the remuneration is based on the fair value of managed assets or in contractual cash flows obtained; and
- The sales rate, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales expectations.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, which is consistent with the ongoing recognition of the assets of the Company and its subsidiaries.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at fair value through profit or loss (FVTPL).

(ii) Subsequent measurement

Financial assets - Subsequent measurement and gains and losses

Financial assets - FVTPL These assets are subsequently measured at fair value. Net income (loss), plus interest or dividend revenue, is recognized in income (loss).

Financial assets at amortized cost These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is impaired. Interest revenue, foreign exchange gains and impairment losses are recognized in income (loss). Any gain or loss on derecognition is recognized in income (loss).

Debt instruments to FVTOCI These assets are subsequently measured at fair value. Interest revenue calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in income (loss). Other net income (loss) is recognized in OCI. In derecognition, the retained earnings in OCI are reclassified to the income (loss).

Equity instruments at FVTOCI These assets are subsequently measured at fair value. Dividends are recognized as gain in income (loss) unless the dividend clearly represents a recovery of part of the investment cost. Other net income (loss) is recognized in OCI and are never reclassified to the income (loss).

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured as amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading if it is a derivative or assigned as such in initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net income (loss), plus interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in income (loss). Any gain or loss on derecognition is also recognized in income (loss).

(iii) Derecognition

Financial assets

The Company and its subsidiaries derecognize a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company and its subsidiaries transfer the contractual rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and rewards of ownership of the financial asset are transferred or even in which the Company and its subsidiaries nor transfer or maintain all ownership risks and rewards of the financial assets and also does not hold the control over the financial asset.

The Company and its subsidiaries carry out transactions in which assets recognized in the statement of financial position, are transferred but retain all or substantially all risks and rewards of the assets transferred. In such cases, financial assets are not derecognized.

Financial liabilities

The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and its subsidiaries also derecognize a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

In the derecognition of a financial liability, the difference between the extinct book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in the income (loss).

(iv) *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when the Company and its subsidiaries have a legally exercisable right to offset and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(v) *Derivative financial instruments – Hedge accounting*

The Company and its subsidiaries use derivative financial instruments to hedge their exposure to the risks of foreign currency and interest rate changes related to the issuance of Real Estate Receivables Certificates and cash flow contracts signed with financial institutions. For signed contracts, they are identified and qualified for hedge accounting if they meet all the following effectiveness requirements:

- (i) there is an "economic relation" between the hedged item and the hedge instrument;
- (ii) the effect of the credit risk does not affect the changes in the value that result in this economic relation; and
- (iii) the hedge relationship index is the same as the one resulting from the number of hedged item that the entity effectively protects and the number of hedge instrument that the Company and its subsidiaries effectively use to protect this number of hedged item.

The documentation includes the identification of the hedge instrument, the hedged item or transaction, the nature of the risk to be hedged, the prospective demonstration of the efficacy of the hedge relationship and the way in which the Company and its subsidiaries will assess the efficacy of the hedge instrument for purposes of offsetting the exposure to changes in the fair value of the hedged item or cash flows related to the hedged risk.

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognized at fair value on the date the agreement is entered into, and are subsequently remeasured at fair value.

Derivatives are recorded as financial assets when the fair value is positive; and as financial liabilities when the fair value is negative. Transaction costs attributable to the derivative financial instrument are recognized in profit or loss when incurred. Except from the effective portion of cash flow hedges, which is recognized directly in equity in other comprehensive income and subsequently reclassified to profit or loss when the hedged item affects profit or loss.

For the purposes of preparing these parent company and consolidated financial statements, the Company and its subsidiaries adopted the fair value hedge accounting methodology for its foreign currency x CDI and IPCA x CDI swaps intended to cover financial debt. In this system, both the derivative and the covered risk are values measured at fair value, namely:

Cash flow hedges

Cash flow hedges that fulfill the criteria for their accounting are recorded as follows: (i) the effective portion of the gain or loss resulting from the hedge instrument is directly recorded in equity (other comprehensive income); and (ii) the ineffective portion of the gain or loss resulting from the hedge instrument is recognized in the financial result in the statement of profit or loss.

When the documented risk management strategy for a particular hedging relationship excludes from the assessment of hedge effectiveness a specific component of gain or loss or the related cash flows of the hedging instrument, that component of the excluded gain or loss is recognized in financial income (loss) in the statement of profit or loss.

The amounts recorded in other comprehensive income are immediately transferred to the statement of profit or loss when the hedged transaction affects profit or loss. When the hedged item is the cost of a non-financial asset or liability, the amounts recognized in equity are transferred to the initial book value of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its classification as a hedge is revoked, or when the hedge no longer meets the hedge accounting criteria, gains or losses previously recognized in comprehensive income remain separately in equity until the anticipated transaction occurs or the firm commitment is fulfilled.

(h) Share capital

(i) Common shares

Additional costs directly attributable to the issue of shares and stock options are recognized as reducers from equity.

(ii) Repurchase and re-issuance of shares (treasury shares)

When shares recognized as equity are repurchased, value of consideration paid, which includes directly attributable costs, is recognized as a deduction of equity. The repurchased shares are classified as treasury shares and presented as a deduction from equity. When treasury shares are sold or reissued subsequently, value received is recognized as an increase to equity, and gains or losses resulting from transactions are presented as capital reserve.

(i) Impairment

(i) *Non-derivative financial assets*

Measurement of expected credit losses

Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash insufficiencies (that is, the difference between the cash flows owed to the Group in accordance with the contract and the cash flows that the Group expects to receive). The expected credit losses are discounted by the effective interest rate of the financial asset.

For trade accounts receivable and contract assets (in the post-established modality), the Company and its subsidiaries apply a simplified approach to calculate expected credit losses. The Company and its subsidiaries established a provision matrix that is based on its historical experience of credit losses, adjusted for specific prospective factors for debtors and the economic environment, considering independent variables, such as type of coverage, contract duration, number of days the security is overdue and the customer's outstanding amount.

The Company and its subsidiaries adopt a hybrid model of expected and incurred losses, with a simplified approach, recording expected losses throughout the cycle of trade accounts receivable, segregating analyzes into operations for corporate customers (large contracts), small and medium-sized corporate customers companies (collective), considering the risk factor inherent in each of these relationships. The model is based on the credit assessment carried out for each customer profile. From the calculated results, the Company and its subsidiaries analyze and compare them with historical losses to verify whether the amount determined is reasonable.

For balances of accounts receivable from post-established contracts, the nature of which does not fall within IFRS 17 (CPC 50), the Group presented the balances under Other assets.

(ii) *Non-financial assets*

On each base date, the Company and its subsidiaries review the book values of non-financial assets (except for inventories, contract assets and deferred taxes) to determine if there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. In case of goodwill, recoverable value is tested on an annual basis.

For impairment tests, the Company and its subsidiaries consider, for the definition of CGU, the consolidated structure of the group (national), which more adequately reflects the way in which the Group's management monitors operations and the way in which decisions are made on the business continuity. In defining the CGU, the Company considers qualitative and quantitative factors of its operation, which are used in monitoring and decision-making in view of the business verticalization strategy and aims to expand operations in other geographic regions, thus generating synergy gains and strengthening the Company and its subsidiaries.

Among the information analyzed by management are analytical reviews of revenues and claims and the profitability of products involving the creation, continuity and discontinuation of new healthcare plan products. In the analyzes the costs incurred are also monitored and matched with the estimated projections, aiming to identify possible distortions that may arise from hospitalizations and elective surgeries.

The test is carried out using the “Value in Use” methodology, which consists of an economic evaluation performed using the discounted cash flow, that is, in the projection of cash inflows and outflows resulting from the use of a given asset for a period of five (5) years, applying an appropriate discount rate to bring it to present value.

After carrying out the test, the Company and its subsidiaries disclose the information listed below, but not limited to:

- a) the value of the loss (loss reversal) with impairments recognized in the period and possible consequences of revaluations;
- b) the breakdown of the cash generating unit;
- c) whether the recoverable value is the value in use and the discount rate used in the valuation; and
- d) the events and circumstances that led to the recognition or reversal of the impairment.

Recoverable value or CGU of an asset is the higher of value in use and fair value less selling costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value. No reductions were made to the recoverable value of assets in the years ended December 31, 2023 and 2022.

Impairment losses are recognized in income (loss). Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis.

An impairment loss related to goodwill is not reversed. Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

(j) Provisions

Provision is determined by discounting the estimated future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability in question. Effects from derecognition of discount for elapsing of time are recognized in income (loss) as financial expense.

Provision for tax, civil and labor risks

These are formed taking into account: the opinion of the legal advisors, the nature of the lawsuits, similarity with previous cases, same complexity and the pronouncements of courts, whenever the loss is considered probable, which would give rise to a probable outflow of funds for settlement of the obligations and when the amounts involved are measurable with sufficient assurance. The contingent liabilities classified as possible losses are not recorded, however, are disclosed in notes when they are material. Liabilities classified as remote are not recognized or disclosed.

(k) Suppliers

For post-established contracts, the nature of which does not fall under IFRS 17 (CPC 50), the Group chose to present the balances under Suppliers. The nature of the provisions arising from this contractual model is presented below:

The Provision for Unsettled Events is based on the notices of claims received up to the base date, including judicial claims and related costs monetarily restated.

(I) Leases

At the inception of an agreement, the Company and its subsidiaries evaluate whether the agreement is for or contains a lease. The Company and its subsidiaries assess whether the contracts signed are or contain elements of leases, and recognize the rights of use of the leased assets and liabilities for the future flow of the contracts signed, being those that convey the right to control and obtain benefits over the use of an identified asset for a period of time in exchange for a consideration.

The Company and its subsidiaries recognize a right-of-use asset and a lease liability on the lease inception date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liabilities adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of underlying asset to the lessee at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Lease liabilities are initially measured at the present value of the lease payments that are not made on the start date, discounted by the incremental interest rate calculated by the Company. The loan incremental interest rate of the lessee is the interest rate that the lessee would have to pay upon loan (for a similar term and with similar collateral), the funds required to obtain the asset with a value similar to the right-of-use asset, in a similar economic environment.

The Company and its subsidiaries are lessees of several assets, including real estate, hospital equipment and IT equipment.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when: there is a change in future lease payments resulting from a change in the index or rate; amounts expected to be paid in accordance with the residual value guarantee did not change; the Company and its subsidiaries change their assessment of whether they will exercise a purchase, extension or termination option; there is a fixed revised lease payment in essence.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the book value of the right-of-use asset, or is recorded in income (loss) if the book value of the right-of-use asset has been reduced to zero.

Low-value asset lease

The Company and its subsidiaries do not recognize the assets of right-of-use and the lease liabilities for low-value lease assets and short-term lease including IT equipment. The Company and its subsidiaries record payments in connection with these leases as expenses on a straight-line basis based on the term of the lease.

Sale & Leaseback (SLB)

Sale & Leaseback transactions occur when the Company and its subsidiaries sell an asset and lease it back. Such transactions are initially analyzed within the scope of IFRS 15 (CPC 47) - “Revenue from Contracts with Customers”, with the purpose of verifying whether the performance obligation was fulfilled to account for the sale of the asset. Once this requirement is met, the determination of recognition of the result of SLB transactions uses the fair value of the traded asset as a reference. For new goods, the source of information to obtain fair value are market quotations for items of a similar nature, considering the condition of the good.

To calculate the fair value, the Company and its subsidiaries engaged an independent consulting firm to support the Management’s conclusion, with the issuance of a technical report. The valuation was carried out using the Income Capitalization Approach, where the sale value of the property is determined by capitalizing the possible net revenue to be earned, through the analysis of a discounted cash flow, which considers all the revenues and expenses for this operation, discounted at a rate that corresponds to the opportunity cost for the Company and its subsidiaries, considering the level of risk of the operation. After defining the fair value, gains or losses are initially calculated based on the difference between the fair value and the book value of the assets and subsequently adjusted according to the proportionality of the right of use transferred to the lessor (the latter being the effective value recognized in profit or loss as gain or loss). The proportionality calculation is carried out considering the present value of the lease payments adjusted by advance payments or additional financing.

The Company and its subsidiaries evaluate the “SLB” operation in the context of IFRS 15 (CPC 47) – “Revenue from Contracts with Customers” to identify the existence of a “sale” and the fulfillment of the performance obligation. Once identified, the Company and its subsidiaries analyze the fair value versus the sales value of the real estate. If the fair values of real estate do not equal the selling price, the differences are accounted for as prepaid expenses (Other assets) or additional financing (Other accounts payable), if applicable. The Company and its subsidiaries measure gains on “SLB” through the percentage of right of use transferred (performance obligation fulfilled), recognizing, in the context of IFRS 16 (CPC 06 (R2)) - “Leases”, the right of use, lease liabilities, advance expense and gain/loss with “SLB” on the performance obligation fulfilled.

(m) Fair value measurement

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company and its subsidiaries have access on such date. The fair value of a liability reflects its risk of non-performance.

A series of accounting policies and disclosures of the Company and its subsidiaries requires the measurement of fair value, for financial and non-financial assets and liabilities.

When available, the Company and its subsidiaries measure the fair value of a security using the price quoted on an active market for such securities. A market is considered as active if the transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted on an active market, the Company and its subsidiaries use valuation techniques that maximize the use of relevant observable data and minimize the use of

unobservable data. The chosen valuation technique incorporates all the factors market participants would take into account when pricing a transaction.

If an asset or a liability measured at fair value has a purchase price and a selling price, the Company and its subsidiaries measure assets based on purchase prices and liabilities based on selling prices.

The best evidence of the fair value of a financial instrument upon initial recognition is usually the transaction price – i.e., the fair value of the consideration given or received. If the Company and its subsidiaries determine that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted on an active market for an identical asset or liability or based on an evaluation technique for which any non-observable data are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value at the initial recognition and the transaction price. This difference is subsequently recognized in income (loss) on an appropriate basis over the life of the instrument, or until such time when its valuation is fully supported by observable market data or the transaction is closed, whichever comes first.

10 New standards that came into force

(i) Amendment to IAS 12/CPC 32 - Income Taxes

Disclosures regarding the known or reasonably estimable exposure to income taxes under Pillar Two are required for annual financial statements for years beginning on or after January 1, 2023, and are not required to be disclosed in interim disclosures during the year 2023.

For IFRS Accounting Standards purposes, the changes to IAS 12 apply immediately and retrospectively. The Federal Accounting Council (“CFC”) approved the revision of NBC 22 on December 7, 2023, which amends NBC TG 32 (R4) - Income Taxes, including items that provide for the implementation of the Pillar Two model rules.

In this sense, Brazil will have to incorporate the rules of Pillar Two into its tax legislation. However, the Company and its subsidiaries do not fall under the applicability of the rule, since the standard establishes, as an assumption for applicability, to be a multinational company with consolidated revenues of more than 750 million euros in at least four of the last years.

Therefore, in its assessment, the Group concluded that the amendments to IAS 12 are not applicable and consequently do not have an impact on its parent company and consolidated financial statements.

(ii) Amendment to IAS 1/CPC 26 and IFRS Practice Statement 2 - Disclosure of accounting policies: change of the term “significant accounting policies” to “material accounting policies”. The amendment also defines what “material accounting policy information” is, explains how to identify it and clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, that it should not obscure the relevant accounting information. IFRS Practice Statement 2 Making Materiality Judgements, also amended, provides guidance on how to apply the concept of materiality to accounting policy disclosures.

The changes mentioned above had no material impact on the Company and its subsidiaries.

- (iii) **Amendment to IAS 8/CPC 23 - Accounting policies, changes in accounting estimates and errors:** the change clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to previous transactions and other previous events, as well as to the current period/year.

The changes mentioned above had no material impact on the Company and its subsidiaries.

- (iv) **IFRS 17 (CPC 50) - Insurance contracts**

The IASB issued IFRS 17 (CPC 50), replacing IFRS 4 (CPC 11) - Insurance Contracts, which establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. This information provides a basis for users of the financial statements to assess the effect insurance contracts have on the Entity's financial position, financial performance and cash flows. IFRS 17 (CPC 50), approved by the CVM through CVM Resolution 42/2021, is applicable for annual periods beginning on January 1, 2023, and was adopted by the Company in these financial statements, as mentioned in Note 2.4.

11 Operating segments

The Company and its subsidiaries have a standardized and uniform service in all Brazilian regions. Thus, it directs its operations in the supplementary health sector and its strategy to providing services in a vertical manner, in which the beneficiary is primarily served by its own network, providing medical and dental care. In this sense, its operation takes place in just one operating segment, whose operating and financial results are regularly reviewed by the Board of Directors on an aggregate basis, which more adequately reflects the way in which the Management of the Company and its subsidiaries monitors operations and the way in which decisions are made about business continuity.

Although the Group has several hospitals, clinics and other service units in its organizational structure, they operate as executors of the services demanded by the beneficiaries of the health and dental plans of the operators belonging to the Group, within the integrated verticalization model, in which the purpose is to expand operations in other geographical regions, generating synergy gains and strengthening the Company and its subsidiaries.

Among the information analyzed by Management, quantitative and qualitative factors of the operation of the Company and its subsidiaries are considered, used in monitoring and decision-making. The Board of Directors determines that the Statutory Executive Board, represented by the Chief Executive Officer (CEO), receives and analyzes information on the operating and financial results of the business and its decision-making, use of technologies and marketing strategies for the different products and services in a centralized manner.

The entire operation (revenues and expenses) of the Company and its subsidiaries comes from providing services to beneficiaries located geographically in Brazil and there is no concentration of sales by client contract.

12 Short and long term investments

The short and long term investments of the Company and its subsidiaries are made up as follows:

	Annual remuneration	Maturities	Parent Company		Consolidated	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
Government and private bonds						
Bank deposit certificates (CDB)	99.5–100.2% CDI	Jan 2024–Apr 2026	-	230	229,845	164,764
National Treasury Bill (LTN) - Collateral Assets (a)	-	-	-	-	-	2,963
National Treasury Note B (NTN-B)	IPCA + 6% p.a.	until Sep 2024	-	-	42,508	40,750
	IPCA + 4.81 p.a.	Mar 2025–Sep 2025	-	-	143,101	169,026
National Treasury Note B (NTN-B) – Collateral Assets (a)		5				
Financial Treasury Bill (LFT)	88.54–100.0% CDI	Aug 2024–Mar 2027	-	-	369,896	326,923
Financial Treasury Bill (LFT) – Collateral Assets (a)	113.7% SELIC	Sep 2024–Sep 2025	-	-	223,112	97,788
Subtotal – Government and private bonds			-	230	1,008,462	802,214
Investment Funds						
Fixed income - Collateral assets (a)	92.12–108.56% CDI	Without maturity	-	-	2,823,179	2,746,945
Fixed income - Exclusive (b)	94.9–110.56% CDI	Without maturity	226,979	531	2,362,000	855,109
Fixed income - non-exclusive	90.30–101.60% CDI	Without maturity	133	142	266,114	192,473
Subtotal – Investment funds			227,112	673	5,451,293	3,794,527
Total			227,112	903	6,459,755	4,596,741
Current			226,979	230	5,573,479	3,331,741
Non-current			133	673	886,276	1,265,000

- (a) The collateral assets are used to back the technical provisions of the health care operators.
- (b) Three exclusive funds are administered and managed by Banco do Brasil, Banco Santander, Banco Itaú and Banco Bradesco. These funds invest their resources in quotas of other funds administered by the managing banks. The investment policies of exclusive funds determine the concentration of resources in financial assets with low credit risk (ANBIMA classification).

The changes in short and long term investments of the Company and its subsidiaries are stated as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balances at the beginning of the year	903	2,673,392	4,596,741	7,510,832
Acquisition of companies (i)	-	-	60,765	2,206,959
Investments	1,070,036	733,023	21,386,486	14,343,113
Yield	20,840	81,381	742,127	734,825
(-) Redemptions	(864,667)	(3,486,893)	(20,327,536)	(20,199,198)
(-) Provision for losses on yield	-	-	(88)	(6,334)
(-) Foreign exchange rate expenses	-	-	(41)	(42)
Mark-to-market	-	-	1,351	6,586
Reclassification of items for sale (ii)	-	-	(50)	-
Balances at the end of the year	227,112	903	6,459,755	4,596,741

- (i) Balances arising from acquired companies.
- (ii) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda., Centro Gaúcho de Medicina Ocupacional Ltda. and Maida Health Participações and their subsidiaries to operations intended for sale, as described in Note 40.

Of the total balance of short and long term investments considered restricted by the Company's subsidiaries on December 31, 2023, R\$ 712,991 (R\$ 629,290 on December 31, 2022) refers to escrows originated by the following acquisitions:

<u>Acquisition</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
São Francisco group	332,314	301,883
Medical group	31,166	28,359
São José group	25,251	26,966
NDI MG group	131,540	116,468
UNIMED ABC	1,026	6,653
Clinipam	165,916	148,961
Lifecenter	25,778	-
Total	712,991	629,290

13 Trade accounts receivable

The balance of this group of accounts refers mainly to amounts receivable arising from the provision of services by the Company and its subsidiaries, as follows:

	<u>Consolidated</u>	
	<u>12/31/2023</u> <u>(Restated)</u>	<u>12/31/2022</u> <u>(Restated)</u>
Breakdown of accounts receivable		
Agreements and individuals	687,029	749,508
Other trade accounts receivable	-	20,977
Subtotal	687,029	770,485
(-) Provision for impairment losses	(211,296)	(367,077)
Total	475,733	403,408

Breakdown of amounts receivable by maturity age is as follows:

	<u>Consolidated</u>	
	<u>12/31/2023</u> <u>(Restated)</u>	<u>12/31/2022</u> <u>(Restated)</u>
Falling due (A)	119,830	158,445
Overdue - in days: (B)	567,199	612,040
≤30	83,771	66,863
31–60	40,510	26,002
61–90	46,295	47,899
>90	396,623	471,276
Total (A) + (B)	687,029	770,485

The changes in Trade accounts receivable is shown below:

	Not related to insurance contracts
Balances at January 1, 2022 (Restated)	94,188
Acquisition of companies	192,636
Revenues from health care not related to Operators' health plans	5,726,895
(-) Receipts	(5,579,489)
Reversal/(Formation) of impairment loss	(35,249)
(-) Write-off due to effective credit losses	(1,847)
(-) Provision for expected disallowance	(10,536)
Reclassification	16,810
Balances at December 31, 2022 (Restated)	403,408
Reclassification of items for sale (a)	(23,778)
Acquisition of companies (b)	4,087
Revenues from health care not related to Operators' health plans	7,119,650
(-) Receipts	(6,993,061)
Reversal/(Formation) of impairment loss	50,774
Reversal/(Constitution) of expected disallowance	4,919
(-) Write-off due to effective credit losses	(90,417)
Other changes	151
Balances at December 31, 2023 (Restated)	475,733

- (a) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda, Centro Gaúcho de Medicina Ocupacional Ltda. and Maida Health Participações and their subsidiaries to operations intended for sale, as described in Note 40.
- (b) Balances arising from acquired companies, as described in Note 4.

Changes in the provision for impairment losses in accounts receivable are as follows:

	Not related to insurance contracts
Balances at January 1, 2022 (Restated)	-
Acquisition of companies	(246,304)
Reclassification (Formation) of provision	(71,793)
Reversal of provision	(313,727)
Expected provision for disallowance	278,478
Other changes	(10,536)
	(3,195)
Balances at December 31, 2022 (Restated)	(367,077)
Acquisition of companies (a)	(54)
Reclassification of items for sale (b)	431
Reclassification (Formation) of provision	-
Reversal of provision	(552,008)
Other changes	607,701
	99,711
Balances at December 31, 2023 (Restated)	(211,296)

- (a) Balances arising from acquired companies.
- (b) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda. and Centro Gaúcho de Medicina Ocupacional Ltda. to operations intended for sale, as described in Note 40.

The Company has intensified its receivables collection management with the support of specialized consultants. Processes were reviewed and stricter policies were adopted, which made it possible to capture overdue securities, generating, among other benefits in 2023, the (i) receipt of long overdue credits that had been provisioned; and (ii) write-off of uncollectible securities.

14 Recoverable taxes

The taxes recoverable of the Company and its subsidiaries are as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income Tax – IRPJ (i)	37,221	37,187	323,555	157,629
Social contribution on income - CSLL (i)	-	-	45,306	48,948
Withholding income tax - IRRF	163,090	135,716	368,847	399,170
Social security credit	-	-	26,844	33,425
FGTS credits	-	-	4,282	-
PIS and Cofins credits	2,405	-	30,554	30,612
ISS credit	-	-	30,511	23,629
Advance of installment payments	707	707	4,367	9,607
Other recoverable taxes	-	-	791	5,094
Total	203,423	173,610	835,057	708,114

- (i) The balance refers mainly to the monthly advance payment of the amount due for Income Tax and Social Contribution on income. At the end of the year, the accounts are reconciled with the taxes payable.

- (a) Lease of commercial property and movable property intended for the development of economic activities, pursuant to an agreement entered into between related parties (Canadá Administradora de Bens Imóveis Ltda., Quixadá Participações Ltda. and Fundação Ana Lima, non-consolidated entities under common control of the same shareholders of the Company and its subsidiaries) with an average maturities of 20 and 40 years, entered into based on the appraisal of the market value performed by specialized companies, comprising: a) review of the base value every 60 months of the lease term; and b) annual updating based on the accumulated change of the IPCA.
- (b) Lease of ten real estate properties (previously owned by the Company's subsidiaries), subject to a sale & leaseback (SLB) operation, with an investment vehicle owned by the Pinheiro Family (LPAR Imóveis Ltda.), the Company's parent company. The cap rate involved is 8.5% p.a., adjusted annually by the IPCA, for a lease term of 20 years (with an option to renew for the same period and an option to buy back), by the Company, under predetermined conditions.
- (c) Revenues from health care plans of the Company and its subsidiaries with services to the companies that are part of Sistema Opinião de Comunicação, under common shareholding control, in the category of collective plans.
- (d) Expenses with advertising hired by the Company and its subsidiaries to advertise in companies belonging to 'Sistema Opinião de Comunicação', under common shareholding control, with the purpose of promoting the sales of health care and dental care plans through marketing actions.
- (e) The balance refers mainly to the use of aircraft belonging to the related party Canadá Administradora de Bens Imóveis Ltda. on business trips by the Management of the Company and its subsidiaries.
- (f) Effect of interest on lease agreements with related parties.
- (g) On December 29, 2023, the minutes of the meeting of the Board of Directors of the Company and its subsidiaries approved the issue of 500,000 simple debentures, not convertible into shares, in a single series and privately placed, subscribed and paid up exclusively by Casa de Saúde e Maternidade Santa Martha S.A.
- (h) It includes amounts related to the acquisition process of the PROMED group, carried out by Ultra Som Serviços Médico (later merged into Hapvida Assistência Médica S.A., in accordance with the Addendum agreed between the parties (PROMED x Ultra Som sellers), on October 18, 2022. The Company repurchased shares on behalf of the seller, in which case it must transfer these amounts to its subsidiary Hapvida Assistência Médica S.A.

The Company also has the following related companies, which, as they meet the criteria of IAS 24 (CPC 05) – Related Party Disclosures, are classified as related parties, although the Company has no transactions or equity interests. These are: Canadá Táxi Aéreo Ltda.; Angiomed Angiologia de Manaus Ltda.; Canadá Participações e Investimentos Ltda.; Canada Investments Ltd.

Remuneration of key management personnel

Members of the Board of Directors and members of the Statutory Executive Board are considered key management personnel of the Company and its subsidiaries. Expenses with total management remuneration were R\$ 175,600 in the year ended December 31, 2023 (R\$ 243,253* as of December 31, 2022), including salary, Directors' fees, bonuses, short-term benefits, profit sharing, in addition to long-term incentive, as highlighted in the Note 28.

* For better comparability and presentation of the information related to the key management personnel remuneration, the Company is restating the amount previously disclosed (R\$ 100,230 on December 31, 2022). The inconsistency identified arose from the change of people in the Company's Management, accentuated by the Business Combination, so that the totality of key personnel and their compensation was not captured. The main difference is the amounts of the Stock Options Plan of key management personnel included in the total amount of the Stock Options Plan, previously disclosed in the note "Share-based remuneration plan". Although this one-off inconsistency was found in the amount disclosed in this note, the net amounts of the Stock Options Plan were correctly recognized and disclosed in the note "Share-based remuneration plan".

16 Other assets

The balance classified under the heading is made up as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Advance to suppliers	22	42	124,602	198,632
(-) Provision for loss with advance to suppliers	(22)	(42)	(46,645)	(11,023)
Advance to employees	2	-	41,383	20,102
Advance of lawsuits	-	-	2,041	2,041
Prepaid expenses	2,282	1,348	68,329	60,073
Security Deposit	-	-	2,360	2,342
Retention premiums to be appropriated (i)	13,200	18,996	19,383	31,729
Court-ordered freezing	-	-	44,506	23,472
Reimbursement of sellers	-	-	-	21,330
Sale of São Francisco Resgate (iii)	-	-	46,631	-
Accounts receivable from post-established contracts	-	-	26,133	-
Other securities receivable (ii)	6,215	14,113	173,040	155,554
Total	21,699	34,457	501,763	504,252
Current	13,114	21,257	379,989	390,632
Non-current	8,585	13,200	121,774	113,620

- (i) Accrued bonuses paid to Company executives for their time at the Company.
(ii) This includes credit card receivables and other receivables not related to health plans.
(iii) Amounts receivable from the sale of São Francisco Resgate Ltda.

17 Investments (parent company)

a. Composition

	12/31/2023			12/31/2022		
	Equity	Income (loss) for the year	Percentage of interest	Percentage of interest	Investment on 12/31/2023 (Restated)	Investment on 12/31/2022 (Restated)
Hapvida Assistência Médica S.A.	10,197,915	(1,038,145)	100%	96.35%	10,197,915	6,289,749
Ultra Som Serviços Médicos S/A	-	995,853	100%	100%	-	4,822,755
Hospital Antônio Prudente Ltda.	-	(25,101)	100%	100%	-	83,802
Hapvida Participações em Tecnologia Ltda.	-	(5,342)	100%	100%	-	3,743
NotreDame Intermédica Participações S.A.	9,173,772	321,333	100%	100%	44,235,679	42,953,197
BCBF Participações S.A.	10,789,344	432,069	18.85%	-	2,033,790	-
Life Place Hapvida Ltda.	5	-	100%	-	5	-
Total					56,467,389	54,153,246

b. Changes

	Hapvida Assistência Médica S.A.	Ultra Som Serviços Médicos S/A	Hospital Antônio Prudente Ltda.	Hapvida Part, em Tecnologia Ltda.	Hapvida Participações e Investimentos II S.A.	Notre Dame Intermédica Participações S.A.	BCBF Participações S.A.	Life Place Hapvida Ltda.	Total
Balance on 12/31/2021	6,657,587	5,239,228	132,863	1,568	-	-	-	-	12,031,246
First-time adoption of IFRS 17 (CPC 50)	1,144,951	(22,923)	-	-	-	-	-	-	1,122,028
Balance on 01/01/2022 (Opening balance)	7,802,538	5,216,305	132,863	1,568	-	-	-	-	13,153,274
Acquisition of companies	-	-	-	-	-	36,309,250	-	-	36,309,250
Amortization of surplus of assets	-	-	-	-	-	(304,289)	-	-	(304,289)
Equity in net income of subsidiaries	(1,574,852)	2,190,403	(14,061)	2,111	-	(1,138,344)	-	-	(534,743)
Dividends and interest on shareholders' equity	(1,632,528)	(789,530)	(35,000)	-	-	-	-	-	(2,457,058)
Capital increase	-	-	-	-	3,202,766	2,509,330	-	-	5,712,096
Merger	-	-	-	-	(3,202,766)	5,576,886	-	-	2,374,120
Spin-off	1,652,546	(1,652,546)	-	-	-	-	-	-	-
Effect from dilution of interest in subsidiaries	42,040	(48,194)	-	-	-	(907)	-	-	(7,061)
Other comprehensive income	-	(42,184)	-	-	-	-	-	-	(42,184)
Negative goodwill in issue of shares	-	(48,303)	-	-	-	-	-	-	(48,303)
Outras movimentações patrimoniais	5	(3,196)	-	64	-	1,271	-	-	(1,856)
Other property changes	6,289,749	4,822,755	83,802	3,743	-	42,953,197	-	-	54,153,246
Balance on 12/31/2022 (Restated)	-	-	-	-	-	(294,642)	-	-	(294,642)
Amortization of surplus of assets	(1,038,145)	995,853	(25,101)	(5,342)	-	321,333	81,642	-	330,240
Equity in net income of subsidiaries	(607,727)	(354,710)	-	-	-	-	-	-	(962,437)
Dividends and interest on shareholders' equity	-	-	-	-	-	833,777	1,828,277	5	2,662,059
Capital increase (a)	-	-	-	-	-	559,700	-	-	559,700
Advance for future capital increase	5,523,485	(5,464,783)	(58,702)	1,599	-	-	(1,599)	-	-
Merger	3,761	(3,761)	-	-	-	(128,864)	127,844	-	(1,020)
Effect from dilution of interest in subsidiaries	20,526	5,856	-	-	-	-	-	-	26,382
Other property changes	6,266	(1,210)	1	-	-	(8,822)	(2,374)	-	(6,139)
Balance on 12/31/2023 (Restated)	10,197,915	-	-	-	-	44,235,679	2,033,790	5	56,467,389

(a) In the second quarter of the year, there was a capital increase in the subsidiary BCBF Participações S.A. due to the assumption by the Company of all the rights and obligations assumed under the debentures of the 4th, 5th and 6th issue of the subsidiary.

18 Property, plant and equipment

The breakdown of property, plant and equipment is as follows:

	Annual average rate of depreciation	Consolidated			
		Cost	Accumulated depreciation (g)	Net 12/31/2023	Net 12/31/2022
Right-of-use	5.80%	3,625,497	(795,293)	2,830,204	2,090,968
Land	-	459,862	-	459,862	459,217
Real estate	3.63%	1,383,833	(287,230)	1,096,603	2,080,135
Vehicles	21.29%	24,609	(19,445)	5,164	21,469
IT equipment	23.96%	436,002	(285,097)	150,905	166,830
Machinery and equipment	11.77%	1,711,030	(903,181)	807,849	939,656
Furniture and fixtures	10.89%	364,969	(177,374)	187,595	201,896
Facilities	4.04%	1,466,797	(445,452)	1,021,345	855,138
Construction in progress	-	323,031	-	323,031	489,426
Total		9,795,630	(2,913,072)	6,882,558	7,304,735

Changes in property, plant and equipment for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated									12/31/2023
	12/31/2022	Acquisition of Companies (c)	Additions	Write-offs (f)	Depreciation (g)	Transfers	Remeasurement	Reclassification of items for sale (d)	Sale & Leaseback effect (e)	
Right-of-use	2,090,968	6,510	83,328	(55,248)	(213,051)	(129)	354,258	(4,371)	567,939	2,830,204
Land	459,217	5,682	-	(39,249)	-	34,212	-	-	-	459,862
Real estate	2,080,135	1,280	-	(55,011)	(55,638)	32,396	-	(26)	(906,533)	1,096,603
Vehicles	21,469	-	-	485	(4,522)	3,538	-	(15,806)	-	5,164
IT equipment	166,830	638	23,870	(257)	(66,399)	27,329	-	(1,106)	-	150,905
Machinery and equipment (a)	939,656	12,835	69,599	(1,190)	(149,810)	(56,372)	-	(6,869)	-	807,849
Furniture and fixtures	201,896	945	12,073	(427)	(31,745)	6,310	-	(1,457)	-	187,595
Facilities	855,138	268	3,061	-	(42,732)	207,944	-	(2,334)	-	1,021,345
Construction in progress (b)	489,426	34,394	59,663	(490)	-	(255,228)	-	(4,734)	-	323,031
Total	7,304,735	62,552	251,594	(151,387)	(563,897)	-	354,258	(36,703)	(338,594)	6,882,558

	Consolidated								12/31/2022
	12/31/2021	Acquisition of Companies	Additions	Write-offs	Depreciation (g)	Transfers	Remeasurement		
Right-of-use	1,054,564	774,816	315,482	(14,534)	(205,995)	-	166,635	-	2,090,968
Land	102,071	318,696	12,852	(2,652)	-	28,250	-	-	459,217
Real estate	595,221	1,488,197	20,115	(1,317)	(66,461)	44,380	-	-	2,080,135
Vehicles	18,328	2,856	9,601	(253)	(8,590)	(473)	-	-	21,469
IT equipment	96,173	61,689	45,817	(287)	(67,323)	30,761	-	-	166,830
Machinery and equipment	408,005	567,941	122,874	(2,668)	(175,775)	19,279	-	-	939,656
Furniture and fixtures	98,964	102,781	25,441	(815)	(33,781)	9,306	-	-	201,896
Facilities	477,946	238,237	10,951	(20,105)	(41,529)	189,638	-	-	855,138
Construction in progress	159,107	381,615	276,067	(6,778)	-	(320,585)	-	-	489,426
Other	556	-	-	-	-	(556)	-	-	-
Total	3,010,935	3,936,828	839,200	(49,409)	(599,454)	-	166,635	-	7,304,735

- The balance refers to surgical equipment, communications equipment, machinery and non-hospital accessories, as well as refrigeration and ventilation equipment.
- The balance of construction in progress refers substantially to investments made in hospitals and clinics to improve and expand the physical facilities.
- Balances arising from acquired companies, as described in Note 4.
- Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda., Centro Gaúcho de Medicina Ocupacional Ltda. and Maida Health Participações and their subsidiaries to operations intended for sale, as described in Note 40.
- Effect resulting from the Sale & Leaseback operation, as described in Note 22.

- (f) Of the write-offs during the year, the amount of R\$ 93,560 refers to the write-off of capital gains on real estate and land sold against “Other operating revenues (expenses), net”.
- (g) With the adoption of IFRS 17 (CPC 50), a portion of the depreciation expense was allocated to the insurance expense category.

19 Intangible assets

The breakdown of intangible assets is as follows:

	Annual average rate of amortization	Consolidated			
		Cost (Restated)	Accumulated amortization(f)	12/31/2023 Net (Restated)	12/31/2022 Net (Restated)
Client portfolio (g)	19,90%	5,258,841	(3,062,859)	2,195,982	2,930,485
Software	19,91%	697,194	(318,558)	378,636	200,392
Trademarks and patents	5,89%	2,797,435	(485,787)	2,311,648	2,480,718
<i>Non-competes</i>	20,00%	37,922	(31,004)	6,918	11,590
Goodwill	-	45,219,461	-	45,219,461	44,881,735
Other	21,20%	185,138	(12,456)	172,682	251,233
Total		54,195,991	(3,910,664)	50,285,327	50,756,153

Changes in intangible assets for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated								
	12/31/2022 (Restated)	Acquisition of Companies (a)	Adjustments IFRS 17 (CPC 50) - (e)	Additions	Write-offs	Amortization (f)	Transfers	Reclassification of items intended for sale (b)	12/31/2023 (Restated)
Client portfolio (g)	2,930,485	69,779	(29,743)	-	-	(791,433)	16,894	-	2,195,982
Software	200,392	207	-	22,919	(136)	(95,691)	265,375	(14,430)	378,636
Trademarks and patents	2,480,718	22	-	-	-	(168,560)	(529)	(3)	2,311,648
<i>Non-competes</i>	11,590	-	-	-	(166)	(4,662)	156	-	6,918
Goodwill	44,881,735	532,705	(27,727)	-	(167,099) ©	-	92	(245)	45,219,461
Other (d)	251,233	(1,811)	-	220,901	(12,552)	(878)	(281,988)	(2,223)	172,682
Total	50,756,153	600,902	(57,470)	243,820	(179,953)	(1,061,224)	-	(16,901)	50,285,327

- (a) Balances arising from acquired companies.
- (b) Balances relating to the reclassification of Maida Health Participações and subsidiaries to operations intended for sale, as well as balances written off resulting from the sale of São Francisco Resgate Ltda, as described in Note 40.
- (c) Write-off of goodwill in the period, mainly due to the sale of São Francisco Resgate Ltda., as explained in Note 40.
- (d) Balances refer mainly to software under development.

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Consolidated								
	12/31/2021	Acquisition of Companies	Adjustments IFRS 17 (CPC 50) - (e)	Additions	Write- offs	Amortization (f)	Transfers	12/31/2022 (Restated)
Client portfolio (g)	1,899,409	3,598,734	(2,475,023)	-	(510)	(876,765)	784,640	2,930,485
Software	150,901	36,854	-	39,143	(221)	(65,214)	38,929	200,392
Trademarks and patents	313,878	3,130,250	-	-	-	(159,397)	(804,013)	2,480,718
<i>Non-compete</i>	18,275	-	-	-	-	(6,685)	-	11,590
Goodwill	5,092,448	38,770,302	1,018,985	-	-	-	-	44,881,735
Other	81,598	34,384	-	173,130	-	(18,323)	(19,556)	251,233
Total	7,556,509	45,570,524	(1,456,038)	212,273	(731)	(1,126,384)	-	50,756,153

(e) Adjustments arising from: i) remeasurement of contracts according to IFRS 17 (CPC 50) on the date of the business combination; ii) write-off of intangible assets accounted for under IFRS 4 (CPC 11); and iii) resulting from onerous contracts (against contract liability for remaining coverage - LRC, as detailed in Notes 2.4 and 4.

(f) With the adoption of IFRS 17 (CPC 50), a portion of the depreciation expense was allocated to the insurance expense category.

(g) The opening of client portfolios is shown below:

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Composição da carteira de clientes	Cost	Accumulated amortization	Net balance 12/31/2023 (Restated)	Net balance on 12/31/2022 (Restated)
SF Resgate	-	-	-	1,515
Promed Assistência	134,646	(99,382)	35,264	73,735
Promed Brasil	6,682	(6,682)	-	2,450
Promed Saúde	22,707	(22,707)	-	8,326
Sf Documenta	16,874	(16,874)	-	1,235
RN Metropolitan	32,354	(32,354)	-	2,489
Premium	19,937	(14,102)	5,835	11,671
Gram Jardim America Saúde	7,539	(7,539)	-	897
Gram América	4,770	(4,583)	187	1,310
Gram Promed	6,445	(6,445)	-	1,578
Sf Operadora	2,379,572	(1,675,755)	703,817	1,144,709
Sf Odonto	98,068	(87,561)	10,507	(22,238)
Sf Gsfrp Sfss	9,009	(7,337)	1,672	2,627
Sf Gsfrp Sfo	20,765	(18,760)	2,005	6,016
Gmed Medical	60,509	(44,218)	16,291	30,254
Gsj Operadora	51,789	(41,657)	10,132	23,643
Gndi Ndi Part	826,839	(322,327)	504,512	626,313
Uniplan	10,148	(10,058)	90	361
Freelife	7,602	(7,561)	41	124
Sta Casa Pirassununga	1,674	(1,442)	232	397
Tres Lagoas	552	(461)	91	144
Santa Casa Barretos	3,600	(2,946)	654	1,046
Fwbp	4,000	(3,048)	952	1,346
Irm Sta Casa Mis Leme	2,900	(2,090)	810	1,096
Medporto Assist Medica Ltda	400	(288)	112	151
Amhpla	24,434	(15,992)	8,442	10,854
Assoc Forn Cana Piracicaba	4,119	(2,696)	1,423	1,829
Irm Sta Casa Mis Sjrjo Preto	15,301	(7,603)	7,698	9,212
Prosaude De Araras	5,652	(2,449)	3,203	3,768
Bucal Help	901	(747)	154	238
Opsfelder Help Odonto	36	(29)	7	11
Benefit	848	(530)	318	403
Oral Brasil Planos	1,050	(591)	459	562
Apo	8,000	(3,867)	4,133	4,933
Soesp	8,533	(4,309)	4,224	5,069
Dental Norte	1,367	(653)	714	849
Cojun	125	(54)	71	84
Medes	1,800	(1,800)	-	-
Amico	3,100	(3,100)	-	-
Climep	180	(180)	-	-
Somed	700	(700)	-	-
Cram	1,800	(1,800)	-	-
Benemed	9,584	(9,584)	-	-
Plamheg	23,000	(13,582)	9,418	14,212
Samedh	18,691	(10,592)	8,099	11,837
Grupo HB	40,119	(80)	40,039	-
HRF	3,617	(1,771)	1,846	-
Grupo Notre Dame	8,159	(7,852)	307	331
Grupo Santamália	18,923	(18,923)	-	-
Unimed ABC	21,892	(14,831)	7,061	9,303
Grupo Cruzeiro do Sul	18,684	(10,269)	8,415	10,269
Grupo SAMED	30,313	(19,820)	10,493	14,519
Grupo Green Line	154,271	(69,362)	84,909	99,691
Grupo Mediplan	59,122	(28,083)	31,039	37,444
Belo Dente	46,462	(24,127)	22,335	27,065
Grupo São José	6,378	(3,936)	2,442	3,426
Grupo São Lucas	111,005	(44,093)	66,912	78,610
Grupo Clinipam	178,804	(117,259)	61,545	79,311
Ecole	15,030	(9,536)	5,494	8,194
Grupo Santa Mônica	6,554	(6,554)	-	21
Lifeday	25,491	(13,347)	12,144	16,888
Climepe	41,833	(19,693)	22,140	27,951
Bio Saúde	29,661	(15,989)	13,672	19,786
Grupo Medisanitas	223,671	(40,207)	183,464	198,837
Grupo Serpram	41,093	(11,763)	29,330	34,262
Grupo CCG	301,799	(50,971)	250,828	279,521
Family	17,358	(17,358)	-	-
Total	5,258,841	(3,062,859)	2,195,982	2,930,485

Goodwill

The goodwill balances (intangible assets with an indefinite useful life) were submitted to an impairment test on December 31, 2023, by means of the discounted cash flow for each cash-generating unit (“CGU”), giving rise to the value in use. The Company and its subsidiaries perform the impairment test, at least, annually.

In defining CGUs, the Management of the Company and its subsidiaries considered qualitative and quantitative factors, which are used in monitoring and decision-making through the strategy of verticalizing the business by expanding operations in other geographical regions, in addition to gaining synergies and strengthening the Company and its subsidiaries in the sale of health and dental plans.

Among the information analyzed by Management are the analytical reviews of revenues and claims and the profitability of products involving the creation, continuation and discontinuation of new health plans. The analysis also monitors the costs incurred and compares them with the estimated projections, to identify any distortions arising from hospitalizations and elective surgeries.

For the definition of CGU, the Company and its subsidiaries considered the consolidated structure of the group (national), which more adequately reflects the way in which the Group’s Management monitors operations and the way in which decisions on business continuity are made. Thus, the analyses carried out, cash flow projections and definition of the Carrying amount were based on the defined CGU.

Goodwill for expected future profitability does not generate cash flows independently of other assets or groups of assets and often contributes to the cash flows of multiple CGUs and should be tested for impairment at a level that reflects the way in which the entity manages its operations and with which goodwill would naturally be associated.

Therefore, the Company and its subsidiaries prepared the impairment test considering the history of business combinations, as shown in the table below:

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Breakdown of goodwill	12/31/2023 (Restated)
NDI group	31.818.532
São Francisco group	1,679,040
Promed Group	1,756,282
América Group	305,399
Medical	194,406
São José	236,656
Premium	262,413
Madrecor	68,043
Octaviano Neves	109,158
Luis França	16,064
RN Metropolitan	32,723
São Lucas	39,058
Cariri	6,603
Cetro	23,682
Parauapebas	11,117
Sagratcor	15,022
Viventi	19,234
HB group	505,449
Grupo Notre Dame	480,134
Santamália group	125,405
Hospital Family	79,030
Unimed ABC	71,476
SAMCI/IBRAGE	24,052
Hospital São Bernardo	153,509
Nova Vida group	151,673
Cruzeiro do Sul group	60,578
SAMED Group	196,737
Green Line group	832,941
Medical group	230,334
Hospital Jacarepaguá	48,118
Belo Dente	23,916
Ghelfond group	163,187
São José group	94,264
São Lucas group	218,093
Clinipam group	2,313,674
Ecole	39,633
LabClin	4,464
Hospital Coração Balneário Camboriú	37,945
Santa Mônica group	130,829
Hospital e Maternidade Santa Brígida	22,882
Lifeday	114,405
Lifecenter	211,719
Climepe	91,023
Bio Saúde	77,594
Hospital do Coração de Londrina	197,179
NDI MG group	855,856
Hospital e Maternidade Maringá	50,117
Aperam group	112,354
Casa de Saúde Maternidade Santa Martha	129,861
CCG group	700,591
Hospital do Coração Duque de Caxias	55,818
Infoway	62
Other	21,127
Total	45,219,461

Therefore, the Company and its subsidiaries adopted the following assumptions in the impairment test:

Consolidated CGU

Operating margin	34.8% p.a.
Loss Ratio	65.2% p.a.
Discount rate	13.0% p.a.
Growth rate in perpetuity	5.8% p.a.

In addition, the Company and its subsidiaries presented a sensitivity analysis of the key assumptions used in calculating the recoverability of the CGU on the base date, as per Note 36.

According to the recoverability analysis prepared by an independent consultant hired by the Company and its subsidiaries to support Management's conclusion, for the year ended December 31, 2023, it was concluded that the value in use of the CGU is higher than its respective book value, indicating that there are no indications of impairment.

20 Insurance contracts (Consolidated)

The following are the reconciliation tables for contracts measured using the General Measurement Model (BBA) and the simplified model (PAA), as well as the openings by component and the measurement of the insurance Contractual Margin (CSM).

a. Reconciliation of balances for contracts measured using the General Measurement Model (BBA)

Individual - Health and Dental

	12/31/2023				12/31/2022			
	Assets/Liabilities for remaining coverage (LRC/PCR)		Liability for incurred claims (LIC/PSI)		Assets/Liabilities for remaining coverage (LRC/PCR)		Liability for incurred claims (LIC/PSI)	
	Exclusion of loss component	Loss component	Total	Total	Exclusion of loss component	Loss component	Total	Total
Insurance contract assets on Jan 01	1,719,899	(49,479)	(491,615)	1,178,805	1,759,766	(30)	(207,713)	1,552,023
Net balance of assets (liabilities) on 01/01 (A)	1,719,899	(49,479)	(491,615)	1,178,805	1,759,766	(30)	(207,713)	1,552,023
Insurance revenue (B)	5,234,473	-	-	5,234,473	4,246,247	-	-	4,246,247
Contracts measured using the retrospective fair value approach	1,181,730	-	-	1,181,730	2,427,896	-	-	2,427,896
Other Contracts	4,052,743	-	-	4,052,743	1,818,351	-	-	1,818,351
Insurance service expenses (C)	(145,674)	49,963	(4,552,008)	(4,648,219)	(75,658)	6,742	(4,110,116)	(4,179,032)
Claims incurred and other expenses	-	-	(3,999,443)	(3,999,443)	-	-	(3,092,936)	(3,092,936)
Amortization of acquisition cost flows	(145,674)	-	-	(145,674)	(75,658)	-	-	(75,658)
Losses on onerous contracts and reversals of said losses	-	49,963	-	49,463	-	6,742	-	6,742
Changes in liability for claims incurred	-	-	(552,565)	(552,565)	-	-	(1,017,180)	(1,017,180)
Result of insurance service (D) = (B) + (C)	5,088,799	49,963	(4,552,008)	586,254	4,170,589	6,742	(4,110,116)	67,215
Insurance financial expenses (E)	(15,280)	(4,312)	(72,374)	(91,966)	426,819	7,372	(29,268)	404,923
Cash flows (F)	(6,029,330)	-	4,440,399	(1,588,931)	(4,637,275)	-	3,855,482	(781,793)
Premiums received	(6,284,902)	-	-	(6,284,902)	(5,457,368)	-	-	(5,457,368)
Claims and other expenses paid (i)	-	-	4,440,399	4,440,399	-	-	3,855,482	3,855,482
Cash flows from acquisition of insurance	234,469	-	-	234,469	241,401	-	-	241,401
Paid consideration - business combination	21,103	-	-	21,103	578,692	-	-	578,692
Other changes (G)	-	(161)	-	(161)	-	(63,563) (iii)	-	(63,563)
Net closing balance of assets (liabilities) on December 31 (A) + (D) + (E) + (F) + (G)	764,088	(4,489)	(675,598)	84,001	1,719,899	(49,479)	(491,615)	1,178,805
Insurance contract assets on December 31	123,878	(37)	(541)	123,300	1,719,899	(49,479)	(491,615)	1,178,805
Insurance contract liabilities on Dec 31	640,210	(4,452)	(675,057)	(39,299)	-	-	-	-

- (i) Contracts initially recognized from January 1, 2022.
- (ii) Considering the verticalized model of the Company and its subsidiaries, this line also includes the costs of using the Company's own network, paid during the provision of the service to beneficiaries.
- (iii) Results from onerous contracts. As described in IFRS 17 (CPC 50), for onerous insurance contracts acquired, the entity recognized the excess of fulfillment cash flows over the consideration paid or received as part of the goodwill for contracts acquired in the business combination. This amount was not included in the statement of profit or loss.

**b. Reconciliation of balances for contracts measured using the simplified model (PAA)
Collective - Health and Dental**

	12/31/2023				12/31/2022			
	Assets/Liabilities for remaining coverage (LRC/PCR)	Liability for incurred claims (LIC/PSI)			Assets/Liabilities for remaining coverage (LRC/PCR)	Liability for incurred claims (LIC/PSI)		
	Exclusion of loss component	Cash flow from the claim	Risk adjustment	Total	Exclusion of loss component	Cash flow from the claim	Risk adjustment	Total
Insurance contract assets on Jan 01	33,951	583	9	34,543	21,407	2,124	31	23,562
Insurance contract liabilities on Jan 01	454,598	(2,942,803)	(58,565)	(2,546,770)	409,262	(986,936)	(14,334)	(592,008)
Net balance of assets (liabilities) on January 01 (A)	488,549	(2,942,220)	(58,556)	(2,512,227)	430,669	(984,812)	(14,303)	(568,446)
Insurance revenue (B)	21,567,299	-	-	21,567,299	18,577,904	-	-	18,577,904
Contracts measured by the complete approach	-	-	-	-	3,346,608	-	-	3,346,608
Other Contracts	21,567,299	-	-	21,567,299	15,231,296	-	-	15,231,296
Insurance service expenses (C)	(986,716)	(17,231,963)	2,685	(18,215,994)	(1,613,030)	(15,771,230)	(40,558)	(17,424,818)
Claims incurred and other expenses	-	(17,994,416)	(70,800)	(18,065,216)	-	(15,527,388)	(78,043)	(15,605,431)
Amortization of acquisition cost flows	(986,716)	-	-	(986,716)	(1,613,030)	-	-	(1,613,030)
Losses on onerous contracts and reversals of these losses	-	-	-	-	-	162	-	162
Changes in liability for claims incurred	-	762,453	73,485	835,938	-	(244,004)	37,485	(206,519)
Result of insurance service (D) = (B) + (C)	20,580,583	(17,231,963)	2,685	3,351,305	16,964,874	(15,771,230)	(40,558)	1,153,086
Insurance financial expenses (E)	(69,070)	(420,460)	(8,363)	(497,893)	(78,198)	(232,578)	(3,694)	(314,470)
Cash flows (F)	(19,649,418)	17,211,951	-	(2,437,467)	(16,828,796)	14,046,399	-	(2,782,397)
Premiums received	(20,618,248)	-	-	(20,618,248)	(18,316,446)	-	-	(18,316,446)
Claims and other expenses paid (i)	-	17,211,951	-	17,211,951	-	14,046,399	-	14,046,399
Cash flows from acquisition of insurance	968,830	-	-	968,830	1,487,650	-	-	1,487,650
Net closing balance of assets (liabilities) on December 31 (A) + (D) + (E) + (F)	1,350,644	(3,382,692)	(64,234)	(2,096,282)	488,549	(2,942,221)	(58,555)	(2,512,227)
Insurance contract assets on December 31	36,334	(5,833)	(108)	30,393	33,949	583	11	34,543
Insurance contract liabilities on Dec 31 (iii)	1,314,310	(3,376,859)	(64,126)	(2,126,675)	454,600	(2,942,804)	(58,566)	(2,546,770) (iii)

For contracts measured by the PAA, there was no loss component for the remaining coverage (LRC/PCR) in the years.

- (i) Contracts initially recognized from January 1, 2022.
- (ii) Considering the verticalized model of the Company and its subsidiaries, this line also includes the costs of using the Company's own network, paid during the provision of the service to beneficiaries.
- (iii) The variation from January 1, 2022, to December 31, 2022, was impacted by the acquisition of the portfolio from Grupo NotreDame Intermédica (GNDI).

c. Changes by component for insurance contracts other than those to which the simplified approach has been applied (PAA)

	12/31/2023				12/31/2022			
	VP estimate of Cash Flows	Risk adjustment	Contractual service margin	Total	VP estimate of Cash Flows	Risk adjustment	Contractual service margin	Total
Insurance contract assets/(liabilities) on January 01	4,242,594	(430,671)	(2,633,118)	1,178,805	3,901,977	(146,854)	(2,203,100)	1,552,023
Net balance of assets (liabilities) on January 01 (A)	4,242,594	(430,671)	(2,633,118)	1,178,805	3,901,977	(146,854)	(2,203,100)	1,552,023
Changes to the current service (B)	28,649	115,841	943,527	1,088,017	335,569	63,615	689,620	1,088,804
CSM recognized as a service provided	-	-	943,527	943,527	-	-	689,620	689,620
Risk adjustment recognized as expired risk	-	115,841	-	115,841	-	63,615	-	63,615
Experience adjustments	28,649	-	-	28,649	335,569	-	-	335,569
Changes relating to future service (C)	2,960,634	51,384	(2,976,042)	35,976	1,161,434	(338,479)	(899,916)	(76,961)
Contracts initially recognized in the year	737,091	(47,555)	(689,735)	(199)	1,185,898	(329,978)	(919,482)	(63,562)
Changes in estimates affecting CSM	2,168,396	95,540	(2,263,936)	-	(63,610)	43,300	20,310	-
Losses on groups of onerous contracts and reversals of these losses	55,147	3,399	(22,371)	36,175	39,146	(51,801)	(744)	(13,399)
Changes relating to past service (D)	(487,687)	(50,214)	-	(537,901)	(1,000,441)	(7,748)	-	(1,008,189)
Adjustments to liabilities for Events that occurred	(487,687)	(50,214)	-	(537,901)	(1,000,441)	(7,748)	-	(1,008,189)
Insurance result (E) = (B) + (C) + (D)	2,501,596	117,011	(2,032,515)	586,092	496,562	(282,612)	(210,296)	3,654
Insurance financial expense (F)	387,669	(109,244)	(370,391)	(91,966)	717,067	(1,205)	(310,939)	404,923
Cash flows (G)	(1,609,872)	-	20,942	(1,588,930)	(873,012)	-	91,217	(781,795)
Consideration received	(6,284,901)	-	-	(6,284,901)	(5,457,370)	-	-	(5,457,370)
Events and expenses paid	4,440,399	-	-	4,440,399	3,855,482	-	-	3,855,482
Acquisition costs	234,469	-	-	234,469	241,401	-	-	241,401
Paid consideration - business combination	161	-	20,942	21,103	487,475	-	91,217	578,692
Net closing balance of assets (liabilities) on December 31 (A) + (E) + (F) + (G)	5,521,987	(422,904)	(5,015,082)	84,001	4,242,594	(430,671)	(2,633,118)	1,178,805

Insurance contract assets/(liabilities) on December 31	5,521,987	(422,904)	(5,015,082)	84,001 (i)	4,242,594	(430,671)	(2,633,118)	1,178,805
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(i) The variation from January 1, 2023, to December 31, 2023, is substantially related to the change in projections of incurred claims.

d. The impacts on the current fiscal year of the transition approaches adopted to establish the CSM

	12/31/2023			12/31/2022		
	Fair value approach	Other contracts	Total	Fair value approach	Other contracts	Total
Margin of insurance contracts on January 01 (A)	1,658,894	974,224	2,633,118	2,203,100	-	2,203,100
Changes related to current services (B)	(520,497)	(423,030)	(943,527)	(533,112)	(156,508)	(689,620)
Contractual service margin recognized for services rendered	(520,497)	(423,030)	(943,527)	(533,112)	(156,508)	(689,620)
Changes that relate to future services (C)	1,012,656	1,963,386	2,976,042	(257,125)	1,157,041	899,916
Contracts initially recognized in the year	-	689,735	689,735	-	919,482	919,482
Changes in estimates that adjust the contractual service margin	1,012,656	1,273,651	2,286,307	(257,125)	237,559	(19,566)
Result of insurance service (D) = (B) + (C)	492,159	1,540,356	2,032,515	(790,237)	1,000,533	210,296
Insurance financial expenses (E)	202,589	167,802	370,391	246,031	64,908	310,939
Other changes (F)	-	(20,942)	(20,942)	-	(91,217)	(91,217)
Contractual service margin on December 31 (A) + (D) + (E) + (F)	2,353,642	2,661,440	5,015,082	1,658,894	974,224	2,633,118

e. New business components

	12/31/2023					12/31/2022				
	Contracts issued		Acquired contracts			Contracts issued		Acquired contracts		
	Not onerous	Onerous	Not onerous	Onerous	Total	Not onerous	Onerous	Not onerous	Onerous	Total
Insurance contract assets/liabilities										
Estimated PV of future cash flow outflows, excluding acquisition costs	2,441,050	-	1,602,397	-	4,043,447	1,342,528	-	1,977,832	104,335	3,424,695
Estimates of future cash flow outflows at present value	2,441,050	-	1,602,397	-	4,043,447	1,342,528	-	1,977,832	104,335	3,424,695
Estimated PV of future cash flow inflows	(5,555,273)	-	(2,654,205)	-	(8,209,478)	(4,373,926)	-	(813,045)	(515,280)	(5,702,251)
Risk adjustment	223,451	-	263,686	-	487,137	224,812	-	65,588	201,499	491,899
CSM	2,569,493	-	2,445,589	-	5,015,082	2,179,969	-	453,149	-	2,633,118
Other changes	-	-	-	-	-	-	-	485,961	-	485,961
Total amount included in insurance contract assets/liabilities for the year	(321,279)	-	1,657,467	-	1,336,188	(626,617)	-	2,169,485	(209,446)	1,333,422

f. Realization of the Contractual Insurance Margin (CSM)

Insurance contracts issued	12/31/2023					Total
	≤05 years	05–10 years	10–15 years	15–20 years	>20 years	
Individual – BBA	3,277,866	1,202,599	365,728	116,845	52,044	5,015,082
Total	3,277,866	1,202,599	365,728	116,845	52,044	5,015,082

Insurance contracts issued	12/31/2022					Total
	≤05 years	05–10 years	10–15 years	15–20 years	>20 years	
Individual – BBA	1,564,240	683,459	246,117	90,985	48,317	2,633,118
Total	1,564,240	683,459	246,117	90,985	48,317	2,633,118

21 Loans, financing and debentures

a. Breakdown - Loans, financing and debentures

Type	Maturity	Interest rate	Parent Company		Consolidated	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
Working capital	until Feb 2026 until	USD 5.2 + 6.84% p.a.	- 875,299	- 1,506,611	247,728 875,299	254,445 1,506,611
Debentures – 1 st issue – Hapvida Participações	July 2026	109–110.55% CDI	-	-	-	-
Debentures – 2 nd issue – Hapvida Participações	until Apr 2029	CDI + 1.45–1.65% p.a.	2,545,843	2,551,467	2,545,843	2,551,467
Debentures – 3 rd Issue – Hapvida Participações	May 2029	CDI + 1.60% p.a.	2,026,182	2,030,926	2,026,182	2,030,924
Debentures – 4 th Issue – Hapvida Participações	Feb 2024	CDI + 1.70% p.a.	838,292	-	838,292	-
Debentures - 5 th issue - Hapvida Participações	Jan 2030	CDI + 1.75% p.a.	995,656	-	995,656	-
Debentures of the 6 th private issue - Hapvida Participações (iii)	Jan 2030	-	500,000	-	-	-
		Fixed rate				
Debentures – 3 rd Issue - NDI Saúde	Aug 2024	CDI + 1.60% p.a.	-	-	281,226	564,838
Debentures - 4 th issue - Hapvida Participações (ii)	Sep 2025	CDI + 2.65% p.a.	101,386	-	101,386	778,422
Debentures - 5 th issue - Hapvida Participações (ii)	Nov 2025	CDI + 2.65% p.a.	297,165	-	297,165	713,603
Debentures - 6 th issue - Hapvida Participações (ii)	Oct 2027	CDI + 1.45% p.a.	1,230,591	-	1,230,591	1,233,991
CRI – Hapvida Assistência Médica (i)	Dec 2031	IPCA + 5.7505%	-	-	1,083,401	1,031,208
CRI – BCBF – 1 st series	Dec 2027	CDI + 0.75% p.a.	-	-	533,697	530,659
CRI – BCBF – 2 nd series	Dec 2029	IPCA + 7.0913 p.a.	-	-	372,063	354,205
CRI – BCBF – 3 rd series	Dec 2034	IPCA + 7.2792 p.a.	-	-	97,885	93,319
Coop. Crédito	-	-	-	-	-	254
Other	-	-	-	-	-	73,735
Total			9,410,414	6,089,004	11,526,414	11,717,681
Current			1,800,299	781,592	2,109,941	1,726,508
Non-current			7,610,115	5,307,412	9,416,473	9,991,173

- (i) Transaction with a contracted hedge instrument, aimed at swapping the IPCA rate + 5.7505% for the CDI rate of 113.32%. With the merger of Ultra Som Serviços Médicos S.A. into Hapvida Assistência Médica S.A. on December 01, 2023, the latter assumed the debt previously held by Ultra Som Serviços Médicos S.A.
- (ii) Debentures assigned by the subsidiary BCBF Participações S.A. to the Company, with the Company becoming the issuer of the respective debentures for all purposes and effects. The transfer is part of the simplification of the Company's corporate structure.
- (iii) On December 29, 2023, the minutes of the meeting of the Board of Directors of the Company and its subsidiaries approved the issue of 500,000 simple debentures, not convertible into shares, in a single series and privately placed, subscribed and paid up exclusively by Casa de Saúde e Maternidade Santa Martha S.A.

b. Changes - Loans, financing and debentures

	Parent Company	Consolidated				
	Debentures	Loans and financing	Debentures	Real Estate Receivables Certificate - CRI	Promissory notes	Total
Balances on January 01, 2022	4,583,552	42,074	4,583,552	970,305	-	5,595,931
Acquisition of companies	-	1,604,613	3,546,104	-	99,512	5,250,229
Funding	2,000,000	321,260	2,000,000	1,000,000	-	3,321,260
Appropriation of issue costs	3,148	5,331	7,167	3,777	-	16,275
Incurred interest	742,701	84,580	1,179,851	117,466	246	1,382,143
Payment of principal	(588,295)	(1,507,891)	(854,962)	-	(90,000)	(2,452,853)
Payment of interest and exchange-rate change	(642,342)	(218,804)	(1,072,096)	(59,009)	(9,758)	(1,359,667)
Exchange-rate change	-	(2,729)	-	-	-	(2,729)
Issue costs	(9,760)	-	(9,760)	(23,148)	-	(32,908)
Balances at December 31, 2022	6,089,004	328,434	9,379,856	2,009,391	-	11,717,681
Acquisition of companies (a)	-	10,833	-	-	-	10,833
Transfer of debentures (b)	1,823,832	-	-	-	-	-
Funding	2,250,000	260,000	1,750,000	-	-	2,010,000
Appropriation of issue costs	(2,085)	-	10,799	7,964	-	18,763
Incurred interest	1,060,442	17,451	1,212,531	237,733	-	1,467,715
Payment of principal	(819,335)	(332,909)	(1,946,003)	-	-	(2,278,912)
Payment of interest and exchange-rate change	(993,314)	(20,998)	(1,217,413)	(165,387)	-	(1,403,798)
Exchange-rate change	-	(15,083)	-	-	-	(15,083)
Issue costs	1,870	-	1,870	(2,655)	-	(785)
Balances at December 31, 2023	9,410,414	247,728	9,191,640	2,087,046	-	11,526,414

- (a) Amount referring to the financial debt instruments (loans) of companies acquired by the Company and its subsidiaries.
(b) On May 31, 2023, the debentures of the 4th, 5th and 6th issue previously held by the subsidiary BCBF Participações S.A. were assigned to the Company, which became the issuer of the respective debentures for all purposes and effects. The transfer is part of the simplification of the Group's corporate structure.

The loans and financing of the Company and its subsidiaries are guaranteed by: (i) guarantors, (ii) chattel mortgage of the financed hospital assets, or (iii) short and long term investments held in the same institutions where the credits were contracted.

Working capital loan agreements have restrictive contractual clauses that are specific to the nature of the operation, which, if not complied with, may result in the early maturity of the respective operations.

These clauses, among other conditions, require that the Company and its subsidiaries do not default on their obligations; lawsuits, claims or proceedings pending or about to be filed, which, if decided against the Company and its subsidiaries, would have a detrimental effect on their financial condition or impair their ability to fulfill their obligations.

The management of the Company and its subsidiaries assesses compliance with the contractual clauses of financial and non-financial covenants monthly, through a detailed analysis of each restrictive clause by the respective responsible area of the Company and its subsidiaries, formalized in a memorandum. As of December 31, 2023, the Company and its subsidiaries are fully complying with the contractual clauses and restrictions related to early maturity.

c. Aging - Loans, financing and debentures

As of December 31, 2023 and December 31, 2022, loans, financing and debentures had the following maturity:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
2023	-	781,592	-	1,726,508
2024	1,800,299	584,517	2,109,941	1,323,010
2025	706,937	114,306	703,266	1,237,157
2026	1,137,396	739,342	1,905,387	1,130,765
2027	1,020,769	622,375	1,017,097	1,556,405
>2028	4,745,013	3,246,872	5,790,723	4,743,836
Total	9,410,414	6,089,004	11,526,414	11,717,681

d. Debentures

d.1 Issue of debentures

The main information regarding debenture issues by the Company and its subsidiaries is detailed below:

Issuer	Security	Modality	Issued units	Issue	Final maturity	Average charges	Funding
Hapvida Part. e Inv. S.A.	HAPV11	1st issuance - 1st series	1,764,888	07/10/2019	07/10/2024	109% CDI	R\$ 1,764,888
Hapvida Part. e Inv. S.A.	HAPV21	1st issuance - 2nd series	235,112	07/10/2019	07/10/2026	110.55% CDI	R\$ 235.112
Hapvida Part. e Inv. S.A.	HAPV12	2nd issuance - 1st series	1,250,000	10/30/2021	04/30/2027	CDI + 1.45% p.a.	R\$ 1,250,000
Hapvida Part. e Inv. S.A.	HAPV22	2nd issuance - 2nd series	1,250,000	10/30/2021	04/30/2029	CDI + 1.65% p.a.	R\$ 1,250,000
Hapvida Part. e Inv. S.A.	HAPV13	3rd issuance	2,000,000	05/10/2022	05/10/2029	CDI + 1.60% p.a.	R\$ 2,000,000
Hapvida Part. e Inv. S.A.	HAPV14	4th issue	750,000	02/24/2023	02/24/2024	CDI + 1.70% p.a.	R\$ 750.000
Hapvida Part. e Inv. S.A.	HAPV15	5 th issue	1,000,000	12/27/2023	01/27/2030	CDI + 1.75% p.a.	R\$ 1,000,000
NDI Saúde S.A.	NDMI13	3rd issuance	800,000	08/01/2019	08/01/2024	CDI + 1.60% p.a.	R\$ 800.000
Hapvida Part. e Inv. S.A. (*)	BCBF 14	4th issue	750,000	09/22/2020	09/22/2025	CDI + 2.65% p.a.	R\$ 750.000
Hapvida Part. e Inv. S.A. (*)	BCBF 15	5 th issue	700,000	11/04/2020	11/04/2025	CDI + 2.65% p.a.	R\$ 700.000
Hapvida Part. e Inv. S.A. (*)	BCBF 16	6th issue	1,200,000	10/07/2021	10/07/2027	CDI + 1.45% p.a.	R\$ 1,200,000
Hapvida Part. e Inv. S.A. - Private	HAPV16	6th issue	500,000	12/29/2023	01/29/2030	Fixed rate	R\$ 500.000

(*) Debentures assigned by the subsidiary BCBF Participações S.A. to the Company, with the Company becoming the issuer of the respective debentures for all purposes and effects. The transfer is part of the simplification of the Company's corporate structure.

d.2 Collaterals

The debentures of the 1st series, 2nd series and single series (first, second, third, fourth and fifth issues, respectively), issued by Hapvida Participações e Investimentos S.A., have a personal guarantee in the form of a surety bond provided by the guarantor Hapvida Assistência Médica S.A., a subsidiary of the Company, as joint and several debtor and principal payer of all the obligations assumed.

The third issue of single series debenture, issued by Notre Dame Intermédica Saúde S.A., has a personal guarantee in the form of a surety bond provided by the guarantor BCBF Participações S.A., a subsidiary of the Company and its subsidiaries, as joint and several debtor and principal payer of all the obligations assumed.

The debentures of single series, fourth, fifth and sixth series, initially issued by BCBF Participações S.A. and subsequently transferred to Hapvida Participações e Investimentos S.A., have a personal guarantee in the form of a surety bond provided by the guarantor Notre Dame Intermédica Saúde S.A. – “NDI Saúde S.A.”, as joint and several debtor and principal payer of all the obligations assumed.

d.3 Covenants

The debentures and Real Estate Receivables Certificates (CRI) issued by the Company and its subsidiaries have contractual clauses and restrictions related to early maturity, including, but not limited to, those that oblige the Company and its subsidiaries to comply with the “ financial ratio“ defined in their respective deeds, measured quarterly.

In addition to the financial covenants, the debentures and CRIs have non-financial restrictive contractual clauses that involve a series of conditions such as compliance, transfer of corporate control and others, which, if not met, may result in the early maturity of the respective operations.

On December 31, 2023, the Company and its subsidiaries fully complied with the financial and non-financial restrictive contractual clauses related to early maturity.

e. Real Estate Receivables Certificates (CRI)

e.1 CRI Issue – Ultra Som Serviços Médicos S.A.

On November 2, 2021, the Company approved the granting of a personal guarantee, in the form of a surety bond, to guarantee the obligations assumed by its direct subsidiary, Ultra Som Serviços Médicos S.A. (Ultra Som) within the scope of its 1st issue of unsecured simple debentures, not convertible into shares, in a single series (Ultra Som Debentures). The Ultra Som Debentures are linked to the 378th series of the 4th issue of real estate receivables certificates by Virgo Companhia de Securitização of R\$ 1,001,700, (Hapvida CRI Guarantee), in the context of a securitization operation. The Hapvida CRI Guarantees are the object of a public distribution, which was carried out under the terms of CVM Instruction 400 of December 29, 2003.

The funds are intended for: i) payment of expenses, costs and expenditures not yet incurred directly related to the construction, expansion, development and refurbishment of certain properties and real estate projects; and ii) reimbursement of predetermined real estate expenses, costs and expenditures incurred by the Company and its subsidiaries in the 24 months immediately prior to the closing date of the public offering of the CRI, directly related to the acquisition, construction and/or refurbishment of business units located in the projects backed by this operation.

The funds were raised on December 21, 2021, and will mature in December 2031 (principal + inflation adjustment). The spread is paid every six months.

With the merger of Ultra Som Serviços Médicos S.A. into Hapvida Assistência Médica S.A. on December 01, 2023, the latter assumed the debt previously held by Ultra Som Serviços Médicos S.A.

e.2 CRI Issue – BCBF Participações S.A.

On December 12, 2022, the subsidiary BCBF Participações S.A. signed the “First Amendment to the Private Deed of Issue of Unsecured Simple Debentures, Not Convertible into Shares, with Additional Personal Guarantee, in up to three series, of the Company’s 7th issue. The debentures are linked to the 62nd issue, in up to three series of Real Estate Receivables Certificates (CRI) by Virgo Companhia

de Securitização, of R\$ 1,000,000 (one billion reais), with a nominal unit value of R\$ 1 (one thousand reais).

The total CRI issued was in three series, the first series of 542,426 (five hundred and forty-two thousand four hundred and twenty-six) CRI, the second series 362,151 (three hundred and sixty-two thousand one hundred and fifty-one) CRI and the third series 95,423 (ninety-five thousand four hundred and twenty-three) CRI.

The funds are intended for: i) payment of expenses, costs and expenditures not yet incurred directly related to the construction, expansion, development and refurbishment of certain properties and real estate projects; and ii) reimbursement of predetermined real estate expenses, costs and expenditures; and iii) partial early redemption of debts.

The fundraising was completed on December 27, 2022. The remuneration of the three series issued is as follows:

- **1st series of CRI:** remuneration will take place on December 15, 2027 (principal + interest corresponding to 100% of the accumulated change of the average daily DI rates) exponentially increased by a spread or surcharge of 0.75%;
- **1st series of CRI:** remuneration will take place on December 17, 2029, (Principal + fixed compensatory interest corresponding to 7.0913% (seven integers and nine hundred and thirteen ten thousandths of a percent) per annum, based on 252 (two hundred and fifty-two) Business Days).
- **3rd series of CRI:** remuneration will take place on December 15, 2034, (Principal + fixed compensatory interest corresponding to 7.2792% (seven integers and two thousand seven hundred and ninety-two ten thousandths of a percent) per annum, based on 252 (two hundred and fifty-two) business days).

On December 31, 2023, the Company and its subsidiaries fully complied with the financial and non-financial restrictive contractual clauses related to early maturity.

22 Leases payable

The Company and its subsidiaries have real estate lease agreements with third parties and related parties, as well as other lease and service agreements with terms of more than 12 months.

a) Discount rate

The Company and its subsidiaries achieved discount rates based on risk-free interest rates observed in the Brazilian market for the terms of its contracts, adapted to Group's reality. The spreads were obtained through surveys of potential investors in the debt securities of the Company and its subsidiaries. The table below shows the rates charged by the Group:

<u>Terms (years)</u>	<u>Rate (% p.a.)</u>
≤02	8.20
02–04	9.06
04–06	9.75
06–08	9.68
08–10	9.52
>10	9.50

b) Changes in leases

	Consolidated	
	12/31/2023	12/31/2022 (Restated)
Balance at the beginning of the year	2,350,044	1,133,625
Acquisitions of companies (i)	7,384	853,352
New contracts (addition)	53,355	315,705
New contracts (addition) - Sale & Leaseback	805,827	-
Remeasurements / Write-offs of contracts	288,853	149,587
Incurred interest	292,657	224,733
Payments	(455,568)	(326,958)
Reclassification of items for sale (ii)	(4,543)	-
Balance at the end of the period	3,338,009	2,350,044
Current	475,179	351,286
Non-current	2,862,830	1,998,758

- i) Balances arising from acquired companies.
ii) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda and Maida Health Participações and its subsidiaries to operations intended for sale, as described in Note 40.

c) Maturity of contracts

The future payments of consideration for lease contracts are detailed below:

	Consolidated	
	12/31/2023	12/31/2022
2023	-	351,286
2024	475,178	320,000
2025	462,280	303,858
2026	441,032	290,845
2027	414,569	268,340
>2028	7,785,337	3,509,785
Nominal value	9,578,396	5,044,114
(-) Embedded interest	(6,240,387)	(2,694,070)
Present value of minimum lease payments	3,338,009	2,350,044

d) Additional information

In accordance with IFRS 16 (CPC 06 (R2)) and Circular Letter CVM/SNC/SEP 02/2019, Management used the incremental rate as the criterion for calculating the assets and liabilities within the scope of IFRS 16 (CPC 06 (R2)) and are thus presented in the statement of financial position of the Company and its Subsidiaries.

Management believes that the rate used represents the cash flow closest to the real and is in line with the characteristics of our contracts, as determined by item 27.b of the CVM official letter.

Aiming to comply with the guidance in the circular letter and the transparency required, we inform below the impacts on the statement of financial position, with a comparison of nominal interest vs. effective interest. To calculate the effective rate, we used the index of our contracts, most of which is the IPCA, applied to the flow of annual payments, obtained by disclosing Banco Bradesco's projections for the indicators up to 2025, with the longest rate repeated for the future flow from 5 years onwards.

	Consolidated	
	12/31/2023	12/31/2022
Nominal flow		
Lease liabilities	9,578,396	5,044,114
(-) Embedded interest	(6,240,387)	(2,694,070)
Total	3,338,009	2,350,044
Inflated real effective flow		
Lease liabilities	9,983,600	5,270,500
(-) Embedded interest	(6,504,377)	(2,814,964)
Total	3,479,223	2,455,536

e) Sale & Leaseback (SLB) Operation

On March 27, 2023, a binding instrument was signed for the Sale & Leaseback (SLB) of 10 properties owned by the Company's subsidiaries with an investment vehicle of the Pinheiro Family (LPAR), the Company's parent company, to strengthen the cash flow of the Company and its subsidiaries. The cap rate involved is 8.5% p.a., adjusted annually by the IPCA, for a lease term of 20 years (with an option to renew for the same period, with an option to buy back), by the Company, under predetermined conditions.

The SLB operation generated a net gain of R\$ 121,279, recorded under "Other operating (expenses) revenues, net". A summary of the items affected by the SLB operation is below:

Funds received - Cash	1,250,000
Right-of-use (Note 18)	567,939
Property, plant and equipment (Note 18)	(906,533)
Prepaid expenses	15,700
Leases payable (Note 22)	(805,827)
Net gain on SLB operation	121,279
(-) Write-off of real estate capital gains (Note 18)	(93,560)
Net effect on Other operating revenues (expenses), net	27,719

23 Social security charges

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023 (Restated) (ii)	12/31/2022
Salaries payable	1,284	1,440	136,340	189,616
Provision for vacation	259	254	394,535	373,596
Performance bonus payable (i)	-	-	116,352	74,800
Other social security obligations	2	-	10,413	9,741
Total	1,545	1,694	657,640	647,753

- (i) Provision for performance bonuses payable to eligible employees of the Company and its subsidiaries.
(ii) For a better presentation of the Social Obligations item, the Group reclassified the amount of R\$ 51,921 to the Performance Bonus Payable line, previously presented under the Salaries Payable line.

24 Taxes and contributions payable

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Service tax (ISS)	-	-	40,800	40,980
Social security contribution	1,459	681	73,409	64,327
Contribution to the Severance Indemnity Fund (FGTS)	-	-	17,310	17,661
PIS and COFINS	16,348	3,332	100,133	75,387
Union and assistance contributions	-	-	191	-
Income tax payable on interest on shareholders' equity	-	-	37,500	-
Other	19	(6)	1,859	31,263
Taxes due payable	17,826	4,007	271,202	229,618
Income tax – Employees	2,371	768	43,439	36,825
Income Tax – Third parties	22	36	9,746	12,921
Service tax	9	39	14,564	17,278
Social security contribution retained	-	-	3,120	9,718
Retention of PIS/COFINS/CSLL	(83)	(51)	38,653	45,418
Withholding income tax on interest on shareholders' equity	-	-	-	2,100
Withholding taxes payable	2,319	792	109,522	124,260
Installment payment of taxes, fines and rates – Federal	-	-	217,210	197,893
Installment payment of taxes, fines and rates – Municipal	-	-	4,184	6,862
Installment payment of taxes, fines and rates – Other	-	-	26,736	34,793
Installment payment of taxes, fines and rates (i)	-	-	248,130	239,548
Total	20,145	4,799	628,854	593,426
Current	20,145	4,799	467,460	436,350
Non-current	-	-	161,394	157,076

(i) Installments of federal, state and municipal taxes, mostly through the Tax Recovery Program (REFIS).

25 Provision for tax, civil and labor risks

The Company and its subsidiaries are parties to judicial and administrative lawsuits in several courts and government bodies, arising from the regular course of its operations, involving tax, labor, civil and contingency matters with the regulatory agency (ANS).

The Company and its subsidiaries make a provision for all legal and administrative proceedings classified as probable loss risk, which it considers sufficient to cover possible losses, as well as discusses other lawsuits for which the legal advisers estimate as possible loss, not creating an accounting provision.

The main issues of the lawsuits and administrative proceedings classified as probable losses by the Company and its subsidiaries are described below:

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	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Lawsuits with probable loss forecast - Type:				
Provision for tax lawsuits (ANS included)	-	-	502,502	649,416
Provision for civil lawsuits	973	799	500,863	445,439
Provision for labor lawsuits	1,101	107	263,951	266,119
Total	2,074	906	1,267,316	1,360,974

The changes in the risk provision for the years ended December 31, 2023 and 2022, are detailed below:

	Parent Company
Provision for tax, civil and labor risks	
Balances on January 01, 2022	26,478
Net additions and reversals	(25,382)
Payments	(190)
Balances at December 31, 2022	906
Net additions and reversals	1,859
Payments	(691)
Balances at December 31, 2023	2,074

	Consolidated			
	Civil	Labor	Tax	Total
Balances on January 01, 2022	172,194	65,904	190,693	428,791
Acquisitions of companies	205,788	189,557	415,068	810,413
Net additions and reversals	144,715	58,615	81,111	284,441
Payments	(77,258)	(47,957)	(37,456)	(162,671)
Balances at December 31, 2022	445,439	266,119	649,416	1,360,974
Acquisition of companies (a)	3,927	210	400	4,537
Reclassification of items for sale (b)	(378)	(8,735)	(672)	(9,785)
Net additions and reversals	165,945	78,078	(28,466)	215,557
Payments	(114,070)	(71,721)	(118,176)	(303,967)
Balances at December 31, 2023	500,863	263,951	502,502	1,267,316

- (a) Balances arising from acquired companies.
(b) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda., Centro Gaúcho de Medicina Ocupacional Ltda. and Maida Health and their subsidiaries to operations intended for sale, as described in Note 40.

Below is a breakdown of the risk amounts arising from lawsuits and administrative proceedings classified as possible loss, in which the Company and/or its subsidiaries are party, related to the years ended December 31, 2023 and 2022:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Lawsuits with possible loss forecast - Nature:				
Tax (ANS included)	16,637	15,406	4,858,147	4,846,622
Civil	13,291	10,251	1,708,825	1,450,567
Labor	4,228	5,078	799,385	650,848
Total	34,156	30,735	7,366,357	6,948,037

The main matters of the lawsuits and administrative proceedings classified as probable and possible losses by the Company and its subsidiaries are described below (Consolidated):

Type	Theme	Object	Probable		Possible	
			12/31/2023	12/31/2022	12/31/2023	12/31/2022
Civil	Indemnity lawsuits - Medical Acts	The contingency addressed comes from civil proceedings filed by beneficiaries seeking compensation for damages suffered by allegedly inadequate medical conduct. In such cases, the plaintiffs seek to assign the Company and/or its subsidiaries the joint liability to the Company for the medical act practiced by their accredited professionals.	117,428	141,497	688,187	357,238
	Legal and/or Contractual Coverage Exclusion	The contingency in question arises from civil lawsuits filed by beneficiaries seeking coverage for services not covered by law and/or contract: aesthetic, experimental procedures, not provided for in the ANS mandatory coverage list or outside the Use Guidelines – DUT, Home Care, artificial insemination, services outside the geographic scope etc. In this scenario, many judicial decisions are made in non-compliance with the applicable legislation, without due obedience to the care limits defined by law and/or contractually.	72,040	35,681	114,518	50,576
	Contractual Grace Period	The contingency addressed comes from civil lawsuits filed by beneficiaries seeking to obtain health care coverage from its health care plan without proper compliance with the grace periods. In this scenario, many court decisions are made disregarding the applicable legislation, without due obedience to the grace periods provided by law and/or contractually.	45,160	80,768	62,007	36,193
	Debts with Providers in General	This contingency arises from civil lawsuits filed by service providers in general, seeking to obtain payment of amounts supposedly owed by the Company and/or its subsidiaries on several grounds, such as: disallowances of hospital bills, contractual terminations, etc.	75,852	65,791	200,005	84,589
	Other civil matters	Contingencies with various issues arising from civil lawsuits.	190,383	121,702	644,108	921,971
	Total – Civil		500,863	445,439	1,708,825	1,450,567
Labor	Acknowledgment of employment relationship	The contingency addressed comes from labor lawsuits filed by individuals, service providers, seeking to obtain recognition of an alleged employment relationship maintained with the Company and/or its subsidiaries, even without the presence of the typical assumptions of an employment relationship. In this scenario, we can mention: physicians, radiology technicians, physiotherapists, phonoaudiologists, etc.	111,310	108,179	192,415	172,000
	Labor amounts/severance pay	The contingency addressed arises from labor lawsuits filed by former employees or employees, individually or collectively, who claim the receipt of labor amounts and severance pay related to the period in which they worked for the Company and/or its subsidiaries, including: overtime, hazardous exposure and night work bonuses, equal pay, job deviation and accumulation, fines under Articles 467 and 477 of the Brazilian Labor Code (CLT), etc.	141,104	140,624	353,852	295,616
	Tax Assessment Notices / NDFC / NFGC / NFRC	The contingency arises from Tax Assessment Notices and Debit/Fiscal Notices related to Employee Severance Guarantee Fund issued against the Company and/or its subsidiaries, in which administrative fines and FGTS payments are levied arising from alleged violations of the legal rules governing labor and employment relations.	1,917	-	218,555	158,470

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Other labor matters	Contingencies with various issues arising from labor lawsuits.	9,620	17,316	34,563	24,762
	Total - Labor	263,951	266,119	799,385	650,848
Tax	The contingency addressed arises from administrative proceedings and tax foreclosures filed by the National Regulatory Agency for Private Health Insurance and Plans (ANS), in which administrative fines are charged due to alleged breaches to the standards regulating the activity of health care companies, and amounts related to reimbursement to SUS, resulting from the attendance of beneficiaries of the Company and/or its subsidiaries in the public network and in the Unified Health System (SUS), based on article 32 of Law 9656/98.	120,759	103,441	507,187	812,944
AND Administrative fines / Reimbursement to SUS (regulatory aspects)	The contingency now treated comes from administrative and court lawsuits filed by Municipal Treasury Secretaries, which intend to collect the service tax allegedly due by the Company and/or its subsidiaries as a result of its operating activities.	95,520	144,883	1,426,644	1,198,501
Service tax (ISS)	The contingency refers to tax foreclosures originally filed against other health care companies, in which the National Treasury requested the redirection to the Company and its subsidiaries, on the grounds of alleged business succession arising from operations of disposal of the portfolio of beneficiaries.	92,752	-	166,533	157,807
Tax Foreclosures - Business Succession	The contingency mainly results from tax notices of violation filed against the Company and its subsidiaries for tax credits due to alleged irregularities or lack payment of social security contributions, among other social security matters.	32,303	211,836	514,414	311,310
Social security matters	The Company's subsidiaries have an administrative proceeding arising from tax assessment notices issued for undue collection of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL).	-	-	955,141	911,040
Tax assessment notices – IRPJ/CSLL - Goodwill	The contingency arises from the application of the Accident Prevention Factor (FAP) on the rate set for the contribution to the SAT/RAT, ordering the co-authoring Authority to refrain from carrying out any acts aimed at collecting the amounts allegedly due, due to the application of this factor, among them the refusal to renew the Tax Regularity Certificate. Furthermore, recognition of the Petitioner's right to credit is required. The case is in the higher levels are on hold.	14,308	-	7,901	-
Accident Prevention Factor (FAP) on the rate set for the SAT/RAT contribution	The Company's subsidiaries have tax foreclosures on debts included in the Special Tax Regularization Program (PERT).	-	-	26,894	-
Special Tax Regularization Program (PERT)	Requests for provisional injunctive relief, against the Federal Government (Brazilian Treasury), to declare the non-existence of a legal tax relationship between the Plaintiff and Defendant regarding the requirement, due to the (past and future) exercises of stock options in the Stock Option Plan instituted in 2014. From the Plaintiff Companies, social security contributions on payroll and other third-party contributions (Education Allowance, INCRA, SESC, SENAC and Sebrae) in relation to the Participants who act as plaintiff of this claim; from the Plaintiff Companies, a fine for the alleged failure to withhold income tax when the options were exercised by the Participants who act as plaintiff of this claim; from the Participating Plaintiffs, income tax on alleged income derived from work when exercising the options.	-	-	596,383	567,540
Stock option	The Company's Subsidiaries have filed tax foreclosures for the collection of debts relating to the Health Services Solid Waste Charge (TRSS).	137	-	14,897	-
Health services solid waste charge (TRSS)					

	Annulment request aimed at canceling the asset seizure procedure initiated against the Company's subsidiaries.	-	-	36,233	-
Enrollment					
Other tax matters	Contingencies with various issues arising from tax proceedings.	146,723	189,256	605,920	887,480
Total – Tax		502,502	649,416	4,858,147	4,846,622

Judicial deposits

The Company and its subsidiaries have judicial deposits held in assets in the following amounts:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Tax judicial deposits	543	543	448,058	501,590
Regulatory judicial deposits (i)	-	-	1,208,179	978,237
Civil judicial deposits	9,468	3,033	501,100	286,515
Labor judicial deposits	678	214	68,869	56,425
Total	10,689	3,790	2,226,206	1,822,767

- (i) It refers substantially to judicial deposits for reimbursement of medical expenses to SUS.

26 Other accounts payable

The balance of this group of accounts is comprised as follows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023 (Restated)	12/31/2022 (Restated)
Contractual obligations (a)	-	-	1,110,941	1,207,398
Third-party deposits	86	86	81,608	47,153
Advance from clients	80	80	65,608	35,347
Private Health Insurance Regulatory Tax	-	-	4,232	4,204
Debits from health care operations and not related to the plan (i)	-	-	10,074	12,293
Provisions for employee benefit plans	-	-	23,253	20,492
Deferred portion of the acquisition price	-	-	17,152	38,755
ANS fine payable	-	-	29,700	36,622
Financial institution partnership advance	28,600	-	42,104	18,619
Retention bonus payable (ii)	12,000	12,000	12,000	12,000
PROMED Settlement Agreement (iii)	-	-	125,070	-
Rentals payable	-	-	17,224	17,223
Sundry debits	3,485	895	552,615	285,076
Total	44,251	13,061	2,091,581	1,735,182
Current	22,251	13,061	406,911	347,062
Non-current	22,000	-	1,684,670	1,388,120

- (i) It refers to obligations with health service providers and medical teams.
(ii) Provision for retention bonuses payable to Company executives for time spent with the Company.
(iii) On August 14, 2023, the subsidiary Ultra Som Serviços Médicos entered into the “Agreement and Other Covenants” with certain sellers of the PROMED Group. The agreement is the result of negotiations related to the acquisition of the PROMED Group, according to the Minutes of the Board of Directors’ Meeting held on August 16, 2023.

- (a) **Contractual obligations (consolidated)**

It substantially refers to contingent consideration relating to the acquisitions of companies resulting from business combinations, as shown below for the changes in the years ended December 31, 2023 and 2022:

	Consolidated	
	12/31/2023	12/31/2022
Balance at the beginning of the year	1,207,398	869,821
Acquisition price of Companies (i)	664,370	3,229,645
Contractual obligations arising from acquired companies (ii)	-	834,841
Payments	(727,696)	(3,302,631)
Inflation adjustment	139,088	225,555
Adjustment to present value	-	113,416
Compensation balances	(167,917)	(300,116)
Price Adjustments/Re-measurements	(4,302)	(463,133)
Balance at the end of the period	1,110,941	1,207,398
Current	83,912	100,748
Non-current	1,027,029	1,106,650

- (i) Balances arising from acquired companies.
(ii) Contractual obligations existing at the time of the acquisition of the companies.

27 Equity

a) Share capital

On December 31, 2023 and December 31, 2022, the subscribed and paid-up share capital is comprised as follows:

	12/31/2023	12/31/2022
Number of shares (i)	7,539,463,263	7,144,255,743
Share capital (i)	39,121,274	38,062,119
Costs with issue of shares	(255,075)	(228,150)
Total	38,866,199	37,833,969

- (i) According to the minutes of the Board of Directors' meeting held on April 12, 2023, there was an increase in the Company's share capital, within the limit of its authorized capital, of R\$ 1,059,155, which went from R\$ 38,062,119, divided into 7,144,255,743 common shares to R\$ 39,121,274, divided into 7,539,463,263 common shares.

b) Legal reserve

Formed compulsorily on the allocation of 5% of net income for the year, until it reaches 20% of the share capital.

c) Dividends

Consolidated changes in dividends and interest on shareholders' equity payable are as follows:

Balance of dividends and interest on shareholders' equity as of January 01, 2022	31,859
Acquisition of companies	1,001,493
Extraordinary dividends (NDI)	(999,200)
Interest on shareholders' equity paid in the year	(17,945)
Other	(2,603)
Balance of dividends and interest on own capital as of December 31, 2022	13,604
Reclassification of items for sale (i)	(975)
Balance of dividends and interest on shareholders' equity as of December 31, 2023	12,629

- (i) Reclassification of the balance of the subsidiary Maida Health Participações to operations intended for sale, as described in Note 40.

d) Repurchase of shares

On December 31, 2023, the Company has a balance of R\$ 451,967, referring to the repurchase of shares, equivalent to 44,356,272 (forty-four million, three hundred and fifty-six thousand, two hundred and seventy-two) common shares issued by the Company, carried out throughout 2021, 2022 and 2023.

e) Loss per share

Basic loss per share is basically calculated by dividing net loss for the year attributed to controlling shareholders, by the weighted average number of outstanding common shares.

	12/31/2023 (Restated)	12/31/2022 (Restated)
Net (loss) attributable to the Company and its subsidiaries (R\$ thousand)	(757.409)	(1.718.120)
Net (loss) attributable to controlling shareholders (In thousands of Reais)	(757.931)	(1.719.515)
Weighted average number of shares (thousands of shares)	7.506.086	6.837.931
Basic and diluted (loss) per share (In thousands of Reais)	(0,10)	(0,25)

28 Share-based remuneration plan

Stock Grant

At the Extraordinary General Meeting held on April 30, 2021, the Performance Bonus Policy of the Company and its subsidiaries was approved, with the intention of paying a bonus in common shares issued by the Company, net of any taxes, in the event of extraordinary performance in relation to the work to be carried out by executives eligible for this policy.

The Company recognizes personnel expenses related to Stock Grant Plan grants against the capital reserve in equity, based on the fair value of the share on the grant date. The expenses recognized in income (loss) for the year ended December 31, 2023 totaled R\$ 45,199 (R\$ 56,305 as of December 31, 2022).

On December 31, 2023, the balance of the Plan recognized in the Company's equity is as follows:

Grant date	Number of shares granted *	Fair value on the grant date (R\$ per share)	Total amount of the estimated plan (including charges)	Accumulated appropriation of the plan
04/30/2021	11,663,103	14.44	223,800	157,809

* The Premium Policy shall cover a maximum of 13,191,215 shares, originating - at first - from the Company's treasury (which may be issued by the Company, in whole or in part, if the Company does not have sufficient treasury shares at the time the Premium is granted, as defined below), net of any withholding taxes.

Among the conditions for receiving the Premium, it should be noted that: (a) 50% of the Premium is conditional on the beneficiary staying for a period of 3 years (from January 2021); and (b) 50% of the Premium is conditional on achieving at least 95% of the targets set by the Board of Directors (50% of the target being linked to EBITDA indicators, and 50% of the target being linked to growth indicators). The targets can be achieved cumulatively over a 3-year period, with measurements made by the end of March in 2022, 2023 and 2024.

Stock option

The Company has a share-based remuneration plan to promote the pursuit of long-term growth and profitability of the Company and its subsidiaries, providing professionals who are or will be involved in the Company's growth with the opportunity to acquire an ownership right in the Company, to: (a) providing incentive for the integration, expansion, success and achievement of the social goals of the Company and its subsidiaries; and (b) to align the interests of the Company's shareholders to the interests of the Participants.

They are long-term incentive programs with the granting of restricted shares, managed by the Board of Directors, whose plans were approved on March 29, 2021, and April 30, 2021, and whose effectiveness was conditional on the closing of the business combination between the Company and NotreDame Intermédica Participações S.A., which took place on February 14, 2022.

Shares Granted and Strike Price

125,542,812 shares were granted on February 14, 2022, (1st grant) and 13,660,008 on July 01, 2022 (2nd grant) to Plan Participants. The Strike Price of each Option granted under the terms of the Plan will be a fixed amount of R\$ 6.50 (six reais and fifty cents) per Share.

Exercise of the Options

The Options shall become vested to the extent that the respective Participants remain continuously bound as a director or employee of the Company and its subsidiaries, as the case may be, until the vesting periods specified below have elapsed:

- 1/3 (one third) of the Options granted may be exercised from August 31, 2022;
- 1/3 (one third) of the Options granted may be exercised after 24 (twenty-four) months from the closing date of the business combination between the Company and Notre Dame Intermédica Participações S.A., i.e. February 14, 2024; and
- 1/3 (one third) of the Options granted may be exercised after 36 (thirty-six) months from the closing date of the business combination between the Company and Notre Dame Intermédica Participações S.A., i.e. February 14, 2025.

Fair value measurement

The Black & Scholes method was used to price the options on the respective dates grants and end of the year.

The information used in fair value measurement on the grant date of share-based payment is as follows:

	1st grant	2nd grant
Fair value on grant dates (R\$)	6,12–7,80	0,23–2,22
Share price on grant date (R\$)	12.19	5.62
Strike price (R\$)	6.50	6.50
Expected volatility (weighted average)	41.91%	52.61%
Option life (weighted-average life expectation in years)	0,55–3,00	0,17–2,64
Risk-free interest rate (average based on government bonds)	11.46–12.23%	12.59–13.35%

For the respective grant or year-end dates, the market price of the share on the date and the historical volatility (over a 12-month period) were used.

The strike price of the options was adjusted by projected dividends for the period/year and the risk-free rate based on the curve of fixed future federal government bonds in the expected average term of exercise of each lot.

Stock option plan				
	Total number of shares granted	Number of canceled shares (*)	Current number of shares granted	Value of shares
1st granting	125,542,812	(52,855,107)	72,687,705	505,023
2nd granting	13,081,874	(7,117,404)	5,964,470	8,088
Total	138,624,686	(59,972,511)	78,652,175	513,111

(*) Shares canceled referring to executives of the Company and its subsidiaries who left during the period.

Restricted shares are measured at fair value on the grant date and are recognized as an expense over the period in which the right is acquired, against equity, as options granted.

The expense related to the fair value of the restricted shares, recognized in the year ended December 31, 2023, according to the period elapsed for the vesting of the restricted shares, was R\$ 16,483 (R\$ 430,011 on December 31, 2022).

29 Income (loss) from insurance contracts

a) General Measurement Model (BBA) - Individual

	12/31/2023	12/31/2022
Insurance revenues		
Amounts relating to changes in LRC/PCR	5,088,799	4,170,589
Expected costs of claims and other insurance services	4,078,476	3,430,575
Change in the risk adjustment for non-financial risk	66,796	50,395
CSM release	943,527	689,619
Amounts relating to the recovery of cash flows from insurance acquisition costs	145,674	75,658
Allocation of premiums related to the recovery of cash flow cash from acquisition of insurance	145,674	75,658
Total interest revenues	5,234,473	4,246,247
Insurance expenses		
Claims incurred and other directly attributable expenses	(3,999,443)	(3,092,936)
Past service-related changes in cash flow related to LIC/PSI	(552,565)	(1,017,180)
Losses on onerous contracts and reversals of these losses	49,463	6,742
Amortization of cash flow from acquisition	(145,674)	(75,658)
Total insurance expenses	(4,648,219)	(4,179,032)

b) Premium allocation approach (PAA) - Collective

Insurance revenues	<u>12/31/2023</u>	<u>12/31/2022</u>
Amounts relating to changes in LRC/PCR		
Premiums awarded for the period (PAA)	21,567,150	18,205,197
Other	149	372,707
Total interest revenues	<u>21,567,299</u>	<u>18,577,904</u>
Insurance expenses	<u>12/31/2023</u>	<u>12/31/2022</u>
Claims incurred and other directly attributable expenses	(18,065,216)	(15,605,431)
Past service-related changes in cash flow related to LIC/PSI	835,938	(206,519)
Losses on onerous contracts and reversals of these losses	-	162
Amortization of cash flow from acquisition	(986,716)	(1,613,030)
Total insurance expenses	<u>(18,215,994)</u>	<u>(17,424,818)</u>

30 Net revenue from services rendered (Consolidated)

The revenues from the provision of clinical, hospital, laboratory and diagnostic services, as well as the provision of administration services for post-payment health and dental care plans are detailed below.

	<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
	<u>(Restated)</u>	<u>(Restated)</u>
Administration fee - post-payment plans	18,429	85,025
Revenues from other activities	1,302,682	1,391,305
(-) Taxes on revenue	(351,462)	(412,747)
(-) Unconditional discounts and other deductions	(1,631)	(76,007)
Total	<u>968,018</u>	<u>987,576</u>

31 Cost of services rendered (Consolidated)

The costs from the provision of clinical, hospital, laboratory and diagnostic services, as well as costs arising from the provision of administration services for post-payment health and dental care plans are detailed below.

	<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
	<u>(Restated)</u>	<u>(Restated)</u>
Medical and hospital costs and others	(1,239,033)	(1,325,033)
Material and medication cost	(360,044)	(452,391)
Cost with location and operation	(149,516)	(201,543)
Costs with outsourced services	(47,925)	(130,023)
Depreciation and amortization cost	(69,183)	(100,026)
Total	<u>(1,865,701)</u>	<u>(2,209,016)</u>

32 Sales expenses (Consolidated)

	<u>Consolidated</u>	
	<u>12/31/2023</u>	<u>12/31/2022</u>
	<u>(Restated)</u>	<u>(Restated)</u>
Publicity and advertising expenses	(68,784)	(92,448)
Provision for losses and effective credit losses	(39,643)	(37,096)
Own personnel expenses	(140,021)	(99,498)
Other sales expenses	(36,181)	(22,652)
Total	<u>(284,629)</u>	<u>(251,694)</u>

33 Administrative expenses

	Parent Company	
	12/31/2023	12/31/2022
Own personnel expense	(61,350)	(36,248)
Stock option plan expenses (Note 28)	(16,483)	(430,011)
Stock grant plan expenses (Note 28)	(45,199)	(56,305)
Outsourced service expenses	(8,691)	(14,820)
Expenses with location and operation	(4,012)	(2,401)
Expenses with depreciation and amortization (i)	(234,846)	(305,996)
Tax expenses	(874)	(338)
Indemnification, legal costs and contingency provisions	(1,633)	23,013
Sundry revenues (expenses), net	128	(33)
Total	(372,960)	(823,139)

	Consolidated	
	12/31/2023 (Restated)	12/31/2022 (Restated)
Own personnel expense	(97,802)	(255,935)
Stock option plan expenses (Note 28)	(16,483)	(430,011)
Stock grant plan expenses (Note 28)	(45,199)	(56,305)
Outsourced service expenses	(363,131)	(219,026)
Expenses with location and operation	(241,236)	(215,885)
Expenses with depreciation and amortization (i)	(414,182)	(583,965)
Tax expenses	(97,007)	(65,761)
Indemnification, legal costs and contingency provisions	(315,487)	(210,328)
Sundry revenues (expenses), net	(80,006)	9,179
Total	(1,670,533)	(2,028,037)

- (i) It refers substantially to the amortization of capital gains on property, plant and equipment and intangible assets from the NDI acquisition.

34 Net financial revenues (expenses)

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023 (Restated)	12/31/2022 (Restated)
Financial revenues				
Interest on investments, except for collateral assets	21,993	77,584	358,110	395,655
Financial revenue from investments - Collateral Assets	-	-	340,955	262,342
Other revenues from short and long term investments	-	-	8,483	4,109
Late receipt	-	-	117,607	89,005
Revenues from derivative financial instruments - Debt	-	-	50,713	-
Revenues from derivative financial instruments - Equity	20,384	14,331	20,384	15,955
Foreign exchange gains	7	-	18,724	7,450
Revenues from other inflation adjustments	1,053	-	95,582	58,739
Other financial revenues	574	14	19,189	31,226
Subtotal - Financial revenues	44,011	91,929	1,029,747	864,481
	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023 (Restated)	12/31/2022 (Restated)
Financial expenses				
Interest from debentures	(1,060,442)	(742,701)	(1,212,531)	(1,179,851)
Interest from right-of-use	(15)	(168)	(292,657)	(224,733)
Discounts granted	-	-	(10,117)	(15,736)
Bank expenses	(198)	(160)	(38,517)	(40,095)
Charges on taxes	-	-	(3,300)	(5,351)
Financial expenses with derivative instruments - Debt	-	-	(125,605)	-
Financial expenses with derivative instruments - Equity	(33,769)	(32,799)	(33,769)	(116,852)
Expense on exchange rate change	-	-	(921)	(2,501)
Interest on loans and financing	-	-	(255,184)	(202,292)
Expenses with other inflation adjustments	(196)	(19)	(254,542)	(226,675)
Charges on interest on shareholders' equity received	(15,686)	(44,334)	(39,405)	(45,785)
Interest accreditation expense - IFRS 17 (CPC 50) - LRC/PCR	-	-	(460,694)	326,710
Interest accreditation expense - IFRS 17 (CPC 50) - LIC/PSI	-	-	(129,165)	(236,257)
Other financial expenses	(15,018)	(6,183)	(46,234)	(41,611)
Subtotal - Financial expenses	(1,125,324)	(826,364)	(2,902,641)	(2,011,029)
Total - Net financial income (loss)	(1,081,313)	(734,435)	(1,872,894)	(1,146,548)

35 Income tax and social contribution

a. Reconciliation of effective rate of income tax and social contribution recognized in income (loss)

Since the amounts recorded in the parent company financial statements are not relevant. Only the reconciliation of the consolidated financial statements is presented below:

	<u>12/31/2023 (Restated)</u>		<u>12/31/2022 (Restated)</u>	
(Loss)/income before income tax and social contribution		<u>(701,237)</u>		<u>(2,875,509)</u>
Rates				
IRPJ, plus the additional tax rate		25%		25%
CSLL		9%		9%
Receivables (Debits) with income tax and social contribution at official rates		<u>(238,421)</u>		<u>(977,674)</u>
Permanent differences				
Tax loss on which a deferred tax asset was not formed (ii)	-7.07%	49,575	-2.34%	67,376
Debt Adjustment - Business Combination	-0.06%	412	5.98%	(171,903)
Non-deductible provision	1.45%	(10,187)	0.10%	(2,871)
Interest on shareholders' equity	0.01%	(63)	-	-
Other additions and exclusions	-36.72%	257,460	2.57%	(73,901)
Subtotal	-42.38%	<u>297,197</u>	6.30%	<u>(181,299)</u>
Impacts of the tax on entities taxed by deemed profit (i)				
Reversal of the tax effect by the actual profit	0.52%	(3,633)	0.01%	(357)
Income tax and social contribution calculated at deemed profit	-0.24%	1,674	-0.07%	1,941
Subtotal	0.28%	<u>(1,959)</u>	-0.06%	<u>1,584</u>
Income tax and social contribution		-8.10% <u>56,817</u>		40.25% <u>(1,157,389)</u>
Current income tax	-20.81%	145,906	-0.56%	16,220
Current social contribution	-6.39%	44,807	-0.22%	6,361
Deferred income tax	13.90%	(97,469)	30.20%	(868,280)
Deferred social contribution	5.19%	(36,427)	10.84%	(311,690)
Income tax and social contribution		-8.10% <u>56,817</u>		40.25% <u>(1,157,389)</u>

- (i) Exclusion of the effects of the use of statutory rates on the profit before income tax and social contribution of the entities of the Company and its subsidiaries that are taxed under the deemed profit system, in accordance with current legislation.
- (ii) Balance arising mainly from the companies Notre Dame Intermédica Participações S.A., BCBF Participações S.A. and CCG Participações S.A. from tax losses which were not recognized as deferred tax assets, given that the operation of these companies is of holding interests in other entities (holding companies).

The following are the changes in liabilities for income tax and social contribution for the years ended December 31, 2023 and 2022:

	Consolidated	
	12/31/2023	12/31/2022
Balance at the beginning of the year	31,798	58,645
Balance of income tax and social contribution of acquiree (i)	-	22,601
Calculated income tax and social contribution	190,713	22,581
Recoverable income tax and social contribution	94,051	-
Withheld income tax and social contribution	(73,663)	-
(-) Payments made	(214,638)	(72,029)
Balance at the end of the year	28,261	31,798

(i) Balances arising from acquired companies.

The Company and its subsidiaries do not recognize income tax and social contribution expenses directly in the equity.

b. Deferred income tax and social contribution

b.1 Changes

Changes in deferred income tax and social contribution, for the years ended December 31, 2023 and 2022 are as follows:

	Parent Company				
	Balance on 01/01/2022	Recognized in income (loss)	Balance on 12/31/2022	Recognized in income (loss)	Balance on 12/31/2023
Provision for tax, civil and labor risks	9,003	(8,694)	309	397	706
Credit on tax loss and negative basis	336,887	105,355	442,242	344,728	786,970
Costs with issue of debentures	4,590	2,262	6,852	(15,626)	(8,774)
Deferred tax on right-of-use	104	(88)	16	(10)	6
Share-based payment plan expenses	19,144	165,348	184,492	20,972	205,464
Provision for performance premium	902	(902)	-	-	-
Amortization of fair value - Assets acquired in business combination	-	103,459	103,459	79,248	182,707
Other tax credits/debits	(16)	6,292	6,276	(6,286)	(9)
Total	370,614	373,032	743,646	423,423	1,167,069
Deferred tax assets	370,614		743,646		1,167,069

	Consolidated			
	Balance on 12/31/2022 (Restated)	Recognized in income (loss)	Reclassificatio n of items for sale (iii)	Balance on 12/31/2023 (Restated)
Provision for tax, civil and labor risks	309,552	(74,937)	(2,945)	231,670
Impairment loss on trade receivables	218,489	22,784	(794)	240,479
Expenses with deferred commissions	-	-	-	-
Credit on tax loss and negative basis (i)	1,081,127	245,654	-	1,326,781
Amortization of fair value - Assets acquired in business combination	462,800	(46,781)	-	416,019
Deferred tax on goodwill in business combination (ii)	(808,303)	(470,280)	15,059	(1,263,524)
Deferred tax on right-of-use	86,843	89,088	(184)	175,747
Cost with issue of debentures	6,901	(25,612)	-	(18,711)
Share-based payment plan expenses	184,492	20,971	-	205,463
Deferred tax on IFRS 17 (CPC 50)	(25,287)	176,318	-	151,031
Other tax credits	87,371	196,691	360	284,422
Total	1,603,985	133,896	11,496	1,749,377
Deferred tax asset	2,990,302			3,590,915
Deferred tax liability	(1,386,317)			(1,841,538)

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	Consolidated					Balance on 12/31/2022 (Restated)
	Balance on 12/31/2021	First-time adoption of IFRS 17 (CPC 50)	Balance on 01/01/2022 (Opening balance)	Recognized in income (loss)	Acquisition of companies	
Provision for tax, civil and labor risks	131,459	-	131,459	80,063	98,030	309,552
Impairment loss on trade receivables	82,478	-	82,478	31,033	104,978	218,489
Expenses with deferred commissions	(87,226)	87,226	-	-	-	-
Credit on tax loss and negative basis (i)	498,944	-	498,944	420,244	161,939	1,081,127
Amortization of fair value - Assets acquired in business combination	327,005	-	327,005	35,021	100,774	462,800
Deferred tax on goodwill in business combination (ii)	(166,052)	-	(166,052)	(313,452)	(328,799)	(808,303)
Deferred tax on right-of-use	28,756	-	28,756	34,196	23,891	86,843
Cost with issue of debentures	(7,761)	-	(7,761)	14,662	-	6,901
Share-based payment plan expenses	19,144	-	19,144	165,348	-	184,492
Deferred tax on IFRS 17 (CPC 50)	-	(665,240)	(665,240)	639,953	-	(25,287)
Other tax credits	41,647	-	41,647	72,902	(27,178)	87,371
Total	868,394	(578,014)	290,380	1,179,970	133,635	1,603,985
Deferred tax asset	1,034,446		1,034,446			2,990,302
Deferred tax liability	(166,052)		(744,066)			(1,386,317)

- (i) Only the transaction of entities for which it is probable that future taxable income are made available for the Company and its subsidiaries to be able to use the respective benefits were included in the calculation of deferred income tax and social contribution.
- (ii) Deferred tax liability constituted on the tax amortization of goodwill arising from business combinations, in accordance with Article 22 of Law 12973/14.
- (iii) Reclassification of the balance of the subsidiaries São Francisco Resgate Ltda., Centro Gaúcho de Medicina Ocupacional Ltda. and Maida Health and their subsidiaries to operations intended for sale, as described in Note 40.

b.2 Expected realization of deferred taxes

The expected periods for realizing the net deferred taxes of the Company and its subsidiaries, based on projections that may change in the future, are below:

	Parent Company	Consolidated
	12/31/2023	12/31/2023
2024	38,011	143,909
2025	38,011	445,104
2026	289,247	444,914
2027	317,744	261,372
2028	294,011	242,782
>2029	190,044	211,296
Total	1,167,069	1,749,377

The Company and its subsidiaries have tax losses and negative social contribution bases in the calculation of taxable income which represent a right with no statute of limitation, under the terms of current legislation. After the business combinations that took place as of 2019, the Company and its subsidiaries carried out their strategic corporate restructuring planning to support the realization of these taxes.

The main pillars of this planning are: a) Implementation of proprietary systems; b) Corporate reorganization aimed at tax optimization and synergies; and c) Realization of deferred taxes and consumption of current goodwill inventories.

During the year ended December 31, 2023, the Company carried out fourteen (14) corporate mergers and three (3) implementations of proprietary systems, in line with its strategic planning.

36 Financial instruments

(i) Fair value hierarchy

When measuring fair value of an asset or liability, the Company and its subsidiaries use market observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs), as presented in the Note 7 (c), which is used in valuation techniques.

In the year ended December 31, 2023 and 2022, the Company and its subsidiaries made no transfer between financial assets or transfer among hierarchic levels.

The financial instruments of the Company and its subsidiaries are presented in the following table, which contain the book value of financial assets and liabilities, including their hierarchy levels of assessment:

December 31, 2023	Consolidated						
	Book value			Fair value			
	Amortized cost	Fair value through profit or loss	FVOCI	Total	Level 1	Level 2	Total
Financial assets measured at fair value							
Short and long term investments - Investment Funds	-	5,451,293	-	5,451,293	-	5,451,293	5,451,293
Derivative financial instruments - Long position	-	772	-	772	-	772	772
Total	-	5,452,065	-	5,452,065	-	5,452,065	5,452,065
Financial assets not measured at fair value (ii)							
Short and long term investments - Bank Deposit Certificate (CDB)	229,845	-	-	229,845	-	-	-
Short and long term investments - Brazilian Treasury Note (NTN-B)	259,868	-	-	259,868	-	-	-
Short and long term investments - Financial Treasury Bill (LFT)	518,749	-	-	518,749	-	-	-
Total	1,008,462	-	-	1,008,462	-	-	-
Financial liabilities not measured at fair value							
Loans and financing (ii)	(247,728)	-	-	(247,728)	-	-	-
Debentures (ii)	(9,191,640)	-	-	(9,191,640)	-	-	-
Real Estate receivables certificate - CRI (ii)	(2,087,046)	-	-	(2,087,046)	-	-	-
Dividends and interest on shareholders' equity	(12,629)	-	-	(12,629)	-	-	-
Leases payable	(3,338,009)	-	-	(3,338,009)	-	-	-
Derivative financial instruments - Short position	-	(33,386)	(15,802)	(49,188)	-	(49,188)	(49,188)
Total	(14,877,052)	(33,386)	(15,802)	(14,926,240)	-	(49,188)	(49,188)
Financial liabilities measured at fair value							
Contingent consideration (i)	-	(1,110,941)	-	(1,110,941)	-	(1,110,941)	(1,110,941)
Total	-	(1,110,941)	-	(1,110,941)	-	(1,110,941)	(1,110,941)

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December 31, 2022	Consolidated							
	Book value				Fair value			
	Amortized cost	Fair value through profit or loss	FVOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Short and long term investments - Investment Funds	-	3,794,527	-	3,794,527	-	3,794,527	-	3,794,527
Total	-	3,794,527	-	3,794,527	-	3,794,527	-	3,794,527
Financial assets not measured at fair value (ii)								
Short and long term investments - Bank Deposit Certificate (CDB)	164,764	-	-	164,764	-	-	-	-
Short and long term investments - Brazilian Treasury Note (NTN-B)	209,776	-	-	209,776	-	-	-	-
Short and long term investments - National Treasury Bill (LTN)	2,963	-	-	2,963	-	-	-	-
Short and long term investments - Financial Treasury Bill (LFT)	424,711	-	-	424,711	-	-	-	-
Total	802,214	-	-	802,214	-	-	-	-
Financial liabilities not measured at fair value								
Loans and financing (ii)	(328,434)	-	-	(328,434)	-	-	-	-
Debentures (ii)	(9,379,856)	-	-	(9,379,856)	-	-	-	-
Real Estate receivables certificate - CRI (ii)	(2,009,391)	-	-	(2,009,391)	-	-	-	-
Dividends and interest on shareholders' equity	(13,604)	-	-	(13,604)	-	-	-	-
Leases payable	(2,350,044)	-	-	(2,350,044)	-	-	-	-
Derivative financial instruments - Short position	-	(18,468)	(42,184)	(60,652)	-	(60,652)	-	(60,652)
Total	(14,081,329)	(18,468)	(42,184)	(14,141,981)	-	(60,652)	-	(60,652)
Financial liabilities measured at fair value								
Contingent consideration (i)	-	(1,207,398)	-	(1,207,398)	-	(1,207,398)	-	(1,207,398)
Total	-	(1,207,398)	-	(1,207,398)	-	(1,207,398)	-	(1,207,398)

- (i) Contingent consideration (contractual obligations, net of their respective indemnification assets) as presented in Note 26 (a).
- (ii) Measurements at amortized cost and fair value of the Company's short and long term investments (CDB, NTN-B, LTN and LFT) and loans, financing, debentures and Real Estate Receivables Certificates - CRI have approximate amounts.

Cash and cash equivalents, accounts receivable and suppliers are not included in the table above because their book value is close to their fair value due to the short-term maturities of these financial instruments.

The short and long term investments in CDBs have a fair value similar to the book value, as they have a grace period of up to 90 days, are remunerated at interest rates indexed to the DI (Interbank Deposits) curve and are issued by leading financial institutions.

(ii) Measurement at fair value

Assets and liabilities at fair value are measured as follows:

a) Investment funds

Obtained from the values of the shares disclosed by the investment fund managers.

b) Derivative financial instruments

The fair value of derivative financial instruments is determined based on the values disclosed by the financial institutions.

(iii) Risk management

a) Market risks

The Company and its subsidiaries have a formalized policy to make investments and to use financial instruments in its activities.

The investment policy has the following characteristics: (i) limit exposure to credit, liquidity, market, operational and legal risks in respect of Short and long term investments, guaranteeing the preservation of the long-term assets of the Company and its subsidiaries; (ii) maintain efficient and optimized management in order to guarantee sufficient cash flow; (iii) not to trade derivatives of any kind or foreign currencies and financial assets with foreign exchange exposure, except when they are intended to hedge financial or operating liabilities; (iv) invest through entities of the Company and its subsidiaries or, indirectly, through open, restricted or dedicated investment funds, of which they are shareholders of: a) Federal government bonds; b) securities issued by a financial institution (CDBs, LF, LCI, LCA, DPGE, CCBs and other fixed-income products); c) securities issued by publicly traded companies (debentures, promissory notes, CRI, CRA, the like); d) repurchase agreements backed by the aforementioned assets; and e) the allocation of Collateral Assets, or Linked Short and long term investments, must follow the concentration limits in accordance with RN ANS 392 and subsequent updates.

On a regular basis, the financial area consolidates indicators and reports on the management of investments and financial instruments with a detailed analysis of the distribution, risks, maturities, interests, performances and results, addressing the most relevant aspects of the macroeconomic environment and ensuring alignment with the financial instruments investment policy.

Market risk also involves the Company and its subsidiaries monitoring interest rate risk in a timely manner, monitoring any fluctuations and, where applicable, assessing the use of hedging instruments.

Sensitivity Analysis – Financial instruments

As of December 31, 2023, the Company and its subsidiaries have the following sensitivity of its financial assets and liabilities based on the change in the basic interest rate of the economy (CDI), whose impacts are projected according to the scenarios below: The Company and its subsidiaries consider the CDI published for the base date of December 31, 2023, as a probable scenario.

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			Scenario (-50%)	Scenario (-25%)	Scenario (Probable)	Scenario (+25%)	Scenario (+50%)
	Risk						
	CDI		5.94%	8.90%	11.87%	14.84%	17.81%
	IPCA		2.20%	3.30%	4.40%	5.50%	6.60%
	(NATIONAL AMPLIFIED CONSUMER PRICE INDEX)						
12/31/2023	SELIC		6.52%	9.78%	13.04%	16.30%	19.56%
Short and long term investments							
Balance of pledged short and long term investments	2,823,179	111.87% CDI	167,556	251,334	335,111	418,889	502,667
Balance of short and long term investments (free)	3,227,855	111.87% CDI	191,573	287,360	383,146	478,933	574,720
Balance of short and long term investments (NTN-B)	42,508	4.40% IPCA	935	1,403	1,870	2,338	2,806
Balance of short and long term investments (pledged NTN-B)	143,101	4.40% IPCA	3,148	4,722	6,296	7,871	9,445
Balance of Short and long term investments (pledged Financial Treasury Bills)	223,112	13.04% SELIC	14,547	21,820	29,094	36,367	43,641
Total	6,459,755						
	Risk						
12/31/2023	CDI		5.94%	8.90%	11.87%	14.84%	17.81%
Loans and financing							
Working capital	247,728	111.87% CDI	14,703	22,054	29,405	36,757	44,108
Total	247,728						
	Risk						
12/31/2023	CDI		5.94%	8.90%	11.87%	14.84%	17.81%
Debentures							
Debentures - 1 st series - 1 st issue - Hapvida Part.	625,137	111.87% CDI	37,102	55,653	74,204	92,755	111,306
Debentures - 2 nd series - 1 st issue - Hapvida Part.	250,162	111.87% CDI	14,847	22,271	29,694	37,118	44,541
Debentures - 1 st series - 2 nd issue - Hapvida Part.	1,272,716	111.87% CDI	75,536	113,304	151,071	188,839	226,607
Debentures - 2 nd series - 2 nd issue - Hapvida Part.	1,273,127	111.87% CDI	75,560	113,340	151,120	188,900	226,680
Debentures - 3 rd issue - Hapvida Part.	2,026,182	111.87% CDI	120,254	180,381	240,508	300,635	360,762
Debentures - 4 th issue - Hapvida Part.	838,292	111.87% CDI	49,753	74,629	99,505	124,382	149,258
Debentures - 5 th issue - Hapvida Part.	995,656	111.87% CDI	59,092	88,638	118,184	147,730	177,277
Debentures - 3 rd Issue - NDI Saúde	281,226	111.87% CDI	16,691	25,036	33,382	41,727	50,072
Debentures - 4 th issue - Hapvida Part. (*)	101,386	111.87% CDI	6,017	9,026	12,035	15,043	18,052
Debentures - 5 th issue - Hapvida Part. (*)	297,165	111.87% CDI	17,637	26,455	35,273	44,092	52,910
Debentures - 6 th issue - Hapvida Part. (*)	1,230,591	111.87% CDI	73,036	109,553	146,071	182,589	219,107
Total	9,191,640						
	Risk						
12/31/2023	CDI		5.94%	8.90%	11.87%	14.84%	17.81%
	IPCA		2.20%	3.30%	4.40%	5.50%	6.60%
	(NATIONAL AMPLIFIED CONSUMER PRICE INDEX)						
Real estate receivables certificate							
CRI - single series - Hapvida Assistência Médica (**)	1,083,401	4.40% IPCA	23,835	35,752	47,670	59,587	71,504
CRI - 1 st series - BCBF	533,697	111.87% CDI	31,675	47,512	63,350	79,187	95,025
CRI - 2 nd series - BCBF	372,063	4.40% IPCA	8,185	12,278	16,371	20,463	24,556
CRI - 3 rd series - BCBF	97,885	4.40% IPCA	2,153	3,230	4,307	5,384	6,460
Total	2,087,046						

(*) Debentures assigned by the subsidiary BCBF Participações S.A. to the Company, with the Company becoming the issuer of the respective debentures for all purposes and effects. The transfer is part of the simplification of the Company's corporate structure.

(**) With the merged of Ultra Som Serviços Médicos S.A. into Hapvida Assistência Médica S.A. on December 01, 2023, the latter assumed the debt previously held by Ultra Som Serviços Médicos S.A.

Sensitivity analysis - goodwill

An analysis of the sensitivity of the Company and its subsidiaries to an increase or decrease of 0.2% in the main assumptions used to calculate the recoverability of the CGU on the base date, assuming that all other variables remain constant, is presented below.

December 31, 2023 (Restated)

Significant premise affected by possible deterioration	Sensitivity of the premise	Impact
Operating margin	0.35% decrease	Value in use > Carrying amount = 3,060,647
Discount rate	0.35% increase	Value in use > Carrying amount = 377,333
Growth rate in perpetuity	0.35% decrease	Value in use > Carrying amount = 1,594,369

The recoverable amount determined by the Company and its subsidiaries considers projections up to the year 2035. Sensitivity analysis on the assumption of a 0.35% change in operating margins is performed gradually from the year 2030.

Sensitivity analysis - Insurance contracts

An analysis of the Group's sensitivity to a parallel increase or decrease of 0.5% in market interest rates on the base date for insurance contracts, assuming that all other variables remain constant, is presented below.

December 31, 2023	Income (loss)		Equity	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Interest rate	6,876	(14,040)	4,538	(9,267)
December 31, 2022	Income (loss)		Equity	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
Interest rate	13,452	(13,653)	8,878	(9,011)

b) Underwriting risk

Underwriting risk includes insurance risk, policyholder behavior risk and expense risk.

- **Insurance risk:** the risk transferred from the insurer to the Company, other than financial risk. Insurance risk arises from the inherent uncertainty about the occurrence, value or timing of claims.
- **Policyholder behavior risk:** the risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, withdraw deposits or cancel a contract sooner or later than expected.
- **Expense risk:** the risk of unexpected increases in the administrative costs associated with servicing a contract (and not in the costs associated with the insured's events).

Pricing policy

Companies that operate in health and dental care business are exposed to risks related to cost volatility. Dental plans are less exposed than health plans due to lower frequency of use and lower complexity of the treatments.

When the Company and its subsidiaries are developing a new product it analyzes many variables to define the price of this product, such as the demographic area where the product will be offered, the frequency profile established in the area calculated with historical records, and the costs of main inputs in the area it will be sold (doctors, health care professionals, market price of main procedures). Based on these analyses, the Company and its subsidiaries determine the price of health and dental plans.

Each client that is considered medium or large company has its medical losses ratio calculated every year when the Company and its subsidiaries are negotiating annual price increase for health and/or dental insurance plans (individual clients are regulated by ANS). Based on historical usage of the service network controlled by biometrics, and based on expectations of costs related to these clients, the price increase of this contract is determined. This practice mitigates risks of clients bringing constant losses to the Company and its subsidiaries.

Regarding individual clients, the pricing of the products considers an additional value because this type of client historically has a greater use of service network.

Risk concentration

The following table shows the book values of the Group's insurance contracts by portfolio.

Concentration of risks	12/31/2023	12/31/2022
Individual (health and dental)	5,234,473	4,246,247
Collective (health and dental)	21,567,299	18,577,904
Total	26,801,772	22,824,151

Sensitivity analysis

The following table analyzes how the Contractual Service Margin (CSM), income and equity would have increased (decreased) if the changes in the underwriting risk variables that were reasonably possible on the base date had occurred. The analysis presents the sensitivities and assumes that all other variables remain constant.

Changes in underwriting risk variables mainly affect CSM, income and equity, as follows. The effects on income and equity are presented net of the respective income tax.

- a. CSM** - Changes in cash flows from contractual compliance not related to any loss components other than those recognized as revenues or expenses from insurance financing.
- b. Income** - Changes in the cash flows of the contractual fulfillment related to the loss of the components; - Changes in contractual compliance cash flows, which are recognized as insurance financing revenues or expenses in the statement of profit or loss.
- c. Equity** - Changes in cash flows from contractual compliance, which are recognized as revenues or expenses from insurance financing in the statement of profit or loss in accordance with (b).

December 31, 2023

In thousands of reais

Individual (healthcare and dental)	CSM	Income (loss)	Equity
Cancellation (1% increase)	(14,171)	(3,428)	(2,263)
Cancellation (1% decrease)	13,788	3,479	2,296
Medical Inflation (1% increase)	(122,139)	(12,042)	(7,948)
Medical Inflation (1% decrease)	121,224	11,232	7,413
Loss ratio (5% increase)	(806,972)	(88,988)	(58,732)
Loss ratio (5% decrease)	823,815	70,762	46,703

December 31, 2022

In R\$'000

Individual (healthcare and dental)	CSM	Income (loss)	Equity
Cancellation (1% increase)	10,823	(5,646)	(3,727)
Cancellation (1% decrease)	(11,742)	5,819	3,841
Medical Inflation (1% increase)	(186,598)	14,021	9,254
Medical Inflation (1% decrease)	183,789	(13,809)	(9,114)
Loss ratio (5% increase)	(985,508)	7,373	4,866
Loss ratio (5% decrease)	1,004,960	(28,665)	(18,919)

Collective (healthcare and dental)

With regard to collective portfolios, measured by the PAA model, the main assumption is related to the effects of discounting on LIC/PSI. Based on the sensitivity analysis of 0.5% in this assumption, the balances, on December 31, 2023, would have increased by R\$ 1,656 and decreased by R\$ 3,310 (increased by R\$ 1,940 and decreased by R\$ 1,943 on December 31, 2022) in the statement of profit or loss and would have, on December 31, 2023, increased by R\$ 1,093 and decreased by R\$ 2,185 (increased by R\$ 1,280 and decreased by R\$ 1,282 on December 31, 2022) in the equity.

c) Operating risk

Operating risk is defined as the possibility of losses resulting from failure, weakness or inadequacy of internal processes, people and systems or external events.

The purpose of operational risk monitoring and management is to mitigate the materialization of risks that could result in damage to the quality of operations during the provision of contracted coverage and/or the provision of services. Operational risks and their associated controls are identified by mapping organizational flows, so that when they are identified, the impacts of these risks are quantified, considering the expected standard in terms of frequency and severity, using specific methodologies applicable to each risk assessed.

Mitigating actions are relevant to providing an environment with greater stability and control, insofar as they have an effectively preventive purpose. In this sense, the implementation of procedural protocols that guide the actions of the professionals who work in the operation makes a significant contribution to ensuring that the services are carried out within the technical and safety standards established by the areas responsible for drawing up the manuals. In addition, there are 24-hour control areas that monitor in real time the main user service indicators at the Company's own network units and those of its subsidiaries. Both tools are important instruments for identifying situations that are out of line with what is expected, allowing Management to act quickly and effectively before they have an impact on operations.

d) Credit risks

Credit risk is the risk the Company and its subsidiaries have of incurring losses from a client or a party to a financial instrument, arising from their fail to comply with their contractual obligations. Risk is mainly due to trade accounts receivable and short and long term investments.

Accounts receivable/Other assets

The credit risk for the Company and its subsidiaries is considered low by Management. Most of the risk in the accounts receivable of the Company and its subsidiaries arises from the provision of clinical, hospital, laboratory and diagnostic services, as well as the provision of management services for post-payment healthcare and dental plans.

The Company and its subsidiaries established a provision for impairment which consists in the use of factors related to losses noted in recent time series, adjusting historical series to reflect the current conditions and reasonable and feasible estimates of future economic conditions related to accounts receivable and other accounts receivable. The Company and its subsidiaries recognize impairment losses as a write-off of accounts receivable unless the Company and its subsidiaries evaluate that it is not possible to recover the amount due; On this occasion, the amounts are considered irrecoverable and are recorded against the financial asset directly.

In general, the Company and its subsidiaries mitigate their credit risks by providing services to a client base that is very dispersed and has an undefined concentration.

Short and long term investments

Regarding the credit risks from short and long term investments, a table with quantitative information of maximum risk exposure risk, including information on the ratings of financial institutions, counterparties of investments of the Company and its subsidiaries:

			Ratings of Financial Institutions (*)					
			Fitch (*)		Moody's (*)		S&P (*)	
	12/31/2023	12/31/2022	SHORT- TERM	LT	SHORT- TERM	LT	SHORT- TERM	LT
Banco Itaú Unibanco S.A.	2,827,565	1,620,738	F1+	AAA	BR-1	Aaa.br	brA-1+	brAAA
Banco Santander S.A.	2,235,553	1,790,755	-	-	BR-1	Aaa.br	brA-1+	brAAA
Banco Bradesco S.A.	196,062	293,395	F1+	AAA	BR-1	Aaa.br	brA-1+	brAAA
Caixa Econômica Federal	95,898	125,161	F1+	AA	BR-1	Aaa.br	brA-1+	brAAA
Banco do Brasil S.A.	513,385	232,582	F1+	AA	BR-1	Aaa.br	brB	brB
Banco Safra S.A.	25,404	35,593	-	-	BR-1	Aaa.br	brA-1+	brAAA
Banco Votorantim	1,541	1,416	-	AAA	-	Aaa.br	brA-1+	brAAA
Credit Suisse	337,943	299,918	F1+	AAA	BR-1	Aaa.br	brB	brB
BTG Pactual	111,894	102,752	F1+	AAA	-	Aaa.br	-	-
Other banks	114,510	94,431	-	AAA	-	Aaa.br	-	-
Total	<u>6,459,755</u>	<u>4,596,741</u>						

(*) Last disclosure. National scale.

Cash and cash equivalents

The Company and its subsidiaries held “Cash and cash equivalents” of R\$ 1,430,144 as of December 31, 2023 (R\$ 1,267,915 as of December 31, 2022), mainly comprised of balances in cash, banks and short and long term investments with immediate liquidity. Balances of cash and cash equivalents are maintained with banks and financial institutions with AA and AA+ rating, as the list disclosed by Fitch, and besides having immediate liquidity in cash, they are subject to an insignificant risk of change in value.

LIC - passivos de sinistros ocorridos

Insurance Contracts	12/31/2023					Total
	0 to 1 year	1 to 2 year	2 a 3 year	3 a 4 year	>5 year	
Individual – BBA	524,730	188,072	-	-	-	712,802
Collective – PAA	2,136,291	963,612	650,689	-	-	3,750,592
Total	2,661,021	1,151,684	650,689	-	-	4,463,394

Insurance Contracts	12/31/2022					Total
	0 to 1 year	1 to 2 year	2 a 3 year	3 a 4 year	>5 year	
Individual – BBA	407,280	125,484	-	-	-	532,765
Collective – PAA	1,986,267	745,451	636,201	-	-	3,367,919
Total	2,393,548	870,935	636,201	-	-	3,900,684

Liquidity risk management

The Company and its subsidiaries use medical losses control to price its products and services, which helps it with the monitoring of cash flow requirements and the optimization of its cash return on investments. The Company and its subsidiaries seek to maintain the level of its cash and cash equivalents and other highly negotiable investments at an excess amount of cash outflows on financial instruments (other than trade accounts payable). The Company and its subsidiaries also monitor expected level of cash inflows deriving from ‘trade accounts receivable and other receivables’ as well as expected cash outflows related to ‘trade accounts payable and other accounts payable’.

The main sources of funds used by the Company and its subsidiaries are the volume of funds from the trading of their services. The income from investments from cash deposits is added to this amount.

(iv) **Derivative financial instruments and hedge accounting**

The activities of the Company and its subsidiaries expose it to various financial risks. Risk management is carried out centrally by the Financial Vice-Presidency to minimize the adverse effects of financial risks affecting the Company and its subsidiaries.

On December 31, 2023, the Company and its subsidiaries had derivative financial instrument contracts, used to reduce exposure to interest rate and exchange rate fluctuations (interest rate swap and exchange rate swap), with no speculative purpose.

The Company and its subsidiaries adopted the cash flow hedge accounting methodology, in line with IAS 39, for their IPCA x CDI interest rate swaps intended to hedge the financial debt of the 1st issue of Real Estate Receivables Certificates (CRI) of Ultra Som Serviços Médicos S.A. (merged into Hapvida Assistência Médica S.A.) and for their foreign exchange hedge swaps. Under this system, balances are recorded as follows:

- (i) the effective portion of the gain or loss resulting from the hedge instrument is directly recorded in equity (other comprehensive income); and
- (ii) the ineffective portion of the gain or loss resulting from the hedging instrument is recognized in the financial result in the statement of profit or loss.

The fair value of cash flow contracts is presented in the statement of financial position account (assets, liabilities and equity). For outstanding hedge operations, the Company and its subsidiaries calculated the market value - MTM (Mark to Market).

The openings of the swap contracts of the Company and its subsidiaries, as well as their fair values on the base date are as follows:

In September 2023, the Company and its subsidiaries replaced the derivative instrument they had relating to the exchange of the CRI index issued in December 2021, which reduced the payable rate from 113.3% CDI to 107.5% CDI, maintaining its strategy on the long position with the IPCA index and on the short position the CDI.

The impacts on the Income and Equity of the Company and its subsidiaries were R\$ 62,514 (financial expense) and R\$ 17,966 (Other comprehensive income), due to the net effect of the discontinuation and the new operation, respectively.

Instrument	Maturity	Long position	Short position	Fair value	Notional (R\$)	Position as of 12/31/2023	Position as of 12/31/2022
Swap - Interest rate (i)	Dez/31	IPCA + 5.7505% p.a.	112.3% CDI	-	200,000	-	(7,138)
Swap - Interest rate (i)	Dez/31	IPCA + 5.7505% p.a.	113.8% CDI	-	250,000	-	(11,241)
Swap - Interest rate (i)	Dez/31	IPCA + 5.7505% p.a.	113.95% CDI	-	300,000	-	(13,897)
Swap - Interest rate (i)	Dez/31	IPCA + 5.7505% p.a.	112.9% CDI	-	251,700	-	(9,908)
Swap - Interest rate (ii)	Dez/31	IPCA + 5.7505% p.a.	107.50% CDI	(9,225)	503,475	(9,225)	-
Swap - Interest rate (ii)	Dez/31	IPCA + 5.7505% p.a.	107.50% CDI	(15,863)	617,303	(15,863)	-
Foreign exchange swap	Fev/26	US\$ + 6.84% p.a.	CDI + 1.6% p.a.	(23,328)	260,000	(23,328)	-
Subtotal				(48,416)		(48,416)	(42,184)

Instrument	Maturity	Long position (Average incoming value)	Short position	Fair value	Notional (R\$)	Position as of 12/31/2023	Position as of 12/31/2022
Swap of shares	Nov/23	3,905	113.65% CDI	-	10,826	-	(3,825)
Swap of shares	Nov/23	3,904	113.65% CDI	-	5,465	-	(3,952)
Swap of shares	Nov/23	4,064	113.65% CDI	-	5,822	-	(3,574)
Swap of shares	Nov/23	3,984	113.65% CDI	-	5,777	-	(3,652)
Swap of shares	Jun/23	6,805	113.65% CDI	-	9,867	-	(3,465)
Subtotal				-		-	(18,468)

Total				(48,416)		(48,416)	(60,652)
					Assets	772	-
					Liabilities	(49,188)	(60,652)

The change in interest rate swap derivative financial instruments (i) is shown below:

	12/31/2023	12/31/2022
Balance at the beginning of the year – Liabilities/(Assets)	42,184	18,289
Accrual	(16,913)	(56,558)
Market value - MTM	11,573	154,983
Interest payment	(36,844)	(74,530)
Balance at the end of the year - Liabilities/(Assets)	-	42,184

The change in interest rate swap derivative financial instruments (ii) of the new contracts is shown below:

	12/31/2023	12/31/2022
Balance at the beginning of the year – Liabilities/(Assets)	-	-
Accrual	9,287	-
Market value - MTM	15,801	-
Interest payment	-	-
Balance at the end of the year - Liabilities/(Assets)	25,088	-

On December 31, 2023, as part of the prospective assessment of effectiveness, Management carried out an analysis of the economic relationship of its hedge structures and did not identify any material impacts on the hedge relationships. Thus, the hedge transactions were considered effective.

37 Insurance coverage (unaudited)

The Company and its subsidiaries maintain insurance contracts with coverage determined in accordance with the orientation of specialists, considering the nature and the degree of risk, in amounts considered sufficient to cover possible losses on its assets and/or responsibilities.

The breakdown of the insurance coverage of the Company and its subsidiaries is as follows:

Item	Type of coverage	Insured amount
Buildings, facilities, machinery, furniture, fixtures and inventories	Fire (including due to riots, strikes and lock-outs), lightning, explosions of any kind and aircraft crashes, electrical damage, equipment leased or assigned to third parties, movable and fixed equipment RD, falling glass, fixed expenses (6 months), rental losses/payments (6 months), theft/general theft of goods, windstorm, impact of vehicles through smoke, landslides, electronic equipment, portable objects (Brazilian territory) and theft of medicines.	689,030
D&O	Civil liability, officers, administrators and directors.	100,000
Cyber	Cyber risk insurance.	25,000
Judicial litigation	Legal disputes in the civil, tax and labor spheres, and acquisition and tax law guarantees.	697,184
Vehicle Fleet	Comprehensive, property damage, bodily injury and mobile equipment	100% FIPE table per vehicle
Employees	Group Life Insurance. Trainees, disability and funeral assistance.	Variable according to salary range
Guarantee insurance	Guarantees on customer contracts	1,153
Other insurance	Tax management, construction, supply or provision of services	26,437

38 Transactions that do not involve cash or cash equivalents

During the years ended December 31, 2023 and 2022, the Company and its subsidiaries carried out the following investment and financing activities not involving cash; therefore, they are not reflected in the statement of cash flows:

	Parent Company		Consolidated	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Balance attributable to the acquisition of investees	-	38,684,622	-	38,684,622
Right of use - Additions/Write-offs and remeasurements	240	2,745	382,338	462,009
Other accounts payable - Contract obligations	-	-	34,359	15,666
Capital increase in investee due to debt assumption (i)	1,828,277	-	-	113,416

- (i) Capital increase in the subsidiary BCBF Participações S.A. to the detriment of the assumption by the Company of all the rights and obligations acquired under the debentures of the 4th, 5th and 6th issue of the subsidiary.

39 Adjusted equity and Regulatory capital

To operate in the health insurance market regulated by the National Agency for Supplementary Health (ANS), health operators must comply with solvency indices, as set out in NR 569/22. Adjusted Equity (PLA), for example, needs to be higher than the legal requirement for Risk-Based Capital (RBC). The PLA is calculated considering the equity minus i) direct or indirect holdings in other regulated entities, ii) tax credits arising from tax losses and negative bases, iii) deferred and iv) prepaid expenses, v) intangible non-current assets and, vi) the value of goodwill from direct or indirect holdings in other non-regulated entities, as indicated in Article 7 of NR 569/2022.

The operators controlled by the Company adopted the standard RBC model in advance when calculating regulatory capital. Therefore, in accordance with the criteria set out in Article 9 of Section II of Chapter III of NR 569/2022, the calculation of their regulatory capital, as of January 2023, considered the highest value between the Base Capital and the RBC. The RBC considers the following risks: (i) Underwriting risk, (ii) Credit risk, (iii) Operating/legal risk, and (iv) Market risk.

In the year ended December 31, 2023, consolidated solvency, when observed on an aggregate basis involving the operators controlled by the Company, reached the sufficiency indicated below:

	Consolidated
	12/31/2023
Adjusted equity (PMA) (A)	5,114,442
Risk-based capital (CBR) (B)	4,071,485
Sufficiency/(Insufficiency) calculated (A) - (B)	1,042,957

40 Discontinued operations

The divestment of São Francisco Resgate Ltda. (SF Resgate), Centro Gaúcho de Medicina Ocupacional Ltda. (CGMO) and Maida Health Participações Societárias S.A. and subsidiaries fits into the context of focusing Management's efforts on its core business. In this scenario, the Company and its subsidiaries classified these transactions as discontinued operations.

São Francisco Resgate Ltda. (SF Resgate)

On August 2, 2023, the subsidiary Ultra Som Serviços Médicos S.A. and E&P Infraestrutura S.A. signed the Closing Agreement for the Sale and Purchase of Shares and Other Covenants for the sale of the wholly owned subsidiary São Francisco Resgate (SF Resgate).

Under the agreed terms, the enterprise value of the transaction was R\$ 159,000 (R\$ 114,000 in cash, R\$ 40,000 in installments and R\$ 5,000 in service credit), subject to price adjustment mechanisms common in similar transactions.

Centro Gaúcho de Medicina Ocupacional Ltda. (CGMO)

On October 2, 2023, the subsidiaries Centro Clínico Gaúcho Participações S.A. and Centro Clínico Gaúcho Ltda. signed the Closing Agreement for the Sale and Purchase of Shares and Other Covenants with the buyer Premium Saúde Ocupacional Ltda. for the sale of the wholly owned subsidiary Centro Gaúcho de Medicina Ocupacional Ltda (CGMO).

Under the agreed terms, the enterprise value of the transaction was R\$ 9,000 (R\$ 2,500 in cash and R\$ 6,500 in installments), subject to price adjustment mechanisms common in similar transactions.

Maida Health Participações Societárias S.A. and subsidiaries

On October 27, 2023, the subsidiary BCBF Participações S.A. entered into a share purchase agreement and other covenants for the sale of the subsidiary Maida Health Participações Societárias S.A. and its subsidiaries to MV Sistemas SP Ltda.

Under the agreed terms, the enterprise value of the transaction is R\$ 26,700, subject to price adjustment mechanisms common in similar transactions, as well as potential additional annual installments (earn-out) to be priced over the next 5 years.

The individual statements of financial position as of December 31, 2023, the individual statements of profit or loss up to the time of disposal of the investments for sale and the individual accumulated results for the year (twelve months of 2023) of these companies are shown below:

Statements of financial position at December 31, 2023

	12/31/2023			Total
	SF Resgate	CGMO	Maida Health and subsidiaries	
Assets				
Cash and cash equivalents	-	-	3,354	3,354
Short and long term investments	-	-	2	2
Trade accounts receivable	-	-	1,866	1,866
Recoverable taxes	-	-	11,738	11,738
Judicial deposits	-	-	385	385
Deferred tax assets	-	-	1,589	1,589
Other debits with related parties	-	-	1,861	1,861
Other assets	-	-	947	947
Property, plant and equipment	-	-	12,454	12,454
Intangible assets	-	-	16,711	16,711
Total assets held for sale	-	-	50,907	50,907
Liabilities				
Borrowings and financing	-	-	(4,219)	(4,219)
Suppliers	-	-	(1,730)	(1,730)
Social security charges	-	-	(4,032)	(4,032)
Income tax and social contribution	-	-	(32)	(32)
Dividends/Interest on own capital payable	-	-	(6,533)	(6,533)
Taxes and contributions payable	-	-	(2,849)	(2,849)
Provision for tax, civil and labor risks	-	-	(1,138)	(1,138)
Leases payable	-	-	(4,447)	(4,447)
Deferred tax liabilities	-	-	-	-
Other debits with related parties	-	-	(5,877)	(5,877)
Total liabilities held for sale	-	-	(30,857)	(30,857)
Total net assets held for sale	-	-	20,050	20,050
Controlling shareholders			19,840	19,840
Non-controlling shareholders			210	210
Total net assets held for sale - Controlling shareholders (75%)			14,880	14,880

Statements of profit or loss up to the time of disposal of investments for sale

	SF		Maida	
	Resgate	CGMO	Consolidated	Total
	04/30/2023	05/31/2023	09/30/2023	
Net operating revenue	55,638	2,142	66,096	123,876
Costs of services rendered	(47,501)	(1,623)	(34,558)	(83,682)
Gross income	8,137	519	31,538	40,194
Sales expenses	271	(48)	(6,501)	(6,278)
Administrative expenses	(5,484)	23	(20,064)	(25,525)
Other operating (expenses) revenues, net	-	-	(153)	(153)
Subtotal	(5,213)	(25)	(26,718)	(31,956)
Income (loss) before financial income (loss) and taxes	2,924	494	4,820	8,238
Financial revenues	1,031	36	32	1,099
Financial expenses	(43)	(15)	(752)	(810)
Net financial revenues (expenses)	988	21	(720)	289
Income (loss) before income tax and social contribution	3,912	515	4,100	8,527
Current income tax and social contribution	(1,059)	(103)	(3,227)	(4,389)
Deferred income tax and social contribution	(265)	(9)	24	(250)
Net income of discontinued transactions for the period	2,588	403	897	3,888

Retained earnings for the period/year and cash flows from discontinued operations

On August 2, 2023, the accumulated individual net income for the period of São Francisco Resgate Ltda. was R\$ 8,126.

On October 2, 2023, the accumulated individual net loss for the period of Centro Gaúcho de Medicina Ocupacional Ltda. was R\$ 1,462.

On December 31, 2023, the accumulated consolidated net loss for the year of Maida Health Participações Societárias S.A. and its subsidiaries was R\$ 2,131.

The individual results of discontinued operations (non-consolidated) are shown in the table below:

CGMO	
Accumulated income for the year on the base date - 10/02/2023 (A)	(1,462)
Income on the base date of disposal for sale – 05/31/2023 (B)	403
Non-consolidated income (C) = (A) - (B)	(1,865)

SF Resgate	
Accumulated income for the year on the base date - 08/02/2023 (D)	8,126
Income on the base date of disposal for sale – 04/30/2023 (E)	2,588
Non-consolidated income (F) = (D) - (E)	5,538

Maida Health Participações Societárias S.A. and subsidiaries	
Accumulated income for the year on the base date - 12/31/2023 (G)	(2,131)
Income on the base date of disposal for sale – 09/30/2023 (H)	897
Non-consolidated income (I) = (G) - (H)	(3,028)

Income from discontinued operations - Non-consolidated (C) + (F) + (I)	645
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	<u>12/31/2023</u>
Net cash (used in) from discontinued operating activities	3,805
Net cash (used in) from discontinued investment activities	(29,167)
Net cash (used in) from discontinued financing activities	8,666
Increase (Decrease) in cash and cash equivalents from discontinued operations	<u>(16,696)</u>

41 Subsequent events

(i) Debentures - Prepayment

On January 05, 2024, the Company made the prepayment of the 4th issue of debentures of Hapvida Participações e Investimentos S.A. (HAPV14), issued on February 24, 2022, of R\$ 841,301.

(ii) Sale of Maida Health Participações Societárias S.A. and its subsidiaries - Closing of the transaction

On February 1, 2024, the subsidiary BCBF Participações S.A. signed the Closing Agreement for the Purchase and Sale of Shares and Other Covenants with the buyer MV Sistemas SP Ltda. for the sale of the wholly owned subsidiary Maida Health Participações Societárias S.A. and its subsidiaries Maida Infoway Tecnologia e Gestão em Saúde Ltda.; Maida Hapttech Soluções Inteligentes Ltda.; Lifepace Maida Ltda.; and Tercepta Consultoria em Informática Ltda.

Under the agreed terms, the enterprise value of the transaction is R\$ 26,700, subject to price adjustment mechanisms common in similar transactions, as well as potential additional annual installments (earn-out) to be priced over the next 5 years. The transaction is part of the context of optimizing and strengthening the Company's capital structure, as well as greater focus on its core business.

(iii) New share repurchase program

On February 15, 2024, at a meeting of the Board of Directors, a new share buyback program was approved.

The purpose of the New Program is to maximize the generation of value for shareholders through efficient management of its capital structure. Up to 200,000,000 Shares may be acquired under the New Program for a period of 18 months.

(iv) New cash-settled share-based payment plan

On January 1, 2024, the new cash-settled share-based payment plan approved by the Company's Board of Directors came into force.

The plan comprises a total of 62,850,000 shares and aims to grant beneficiaries the right to receive an award corresponding to an amount referenced to the price of the Company's shares, net of any taxes, to promote: (a) the attraction and retention of Beneficiaries in the Company with a focus on their permanence in the Company and long-term development; (b) the alignment of the interests of the Company's shareholders with those of the Beneficiaries covered by the Plan; and (c) the valuation of the shares and the Company's growth potential.

(v) Corporate restructuring - Merger of BCBF Participações S.A.

On March 28, 2024, the effects of the resolutions approved by the shareholders became effective, according to the Minutes of the Extraordinary General Meeting held on March 28, 2024, with the approval of the Protocol and Justification of Merger for the merger of the subsidiary BCBF Participações S.A. into the also subsidiary Notre Dame Intermédica Saúde S.A. The appraisal report of the accounting equity of the merged company was issued by an independent company.

(vi) 7th Issue of Debentures – Hapvida Participações e Investimentos S.A.

On May 06, 2024, the Company's Board of Directors approved the 7th issue of simple debentures, not convertible into shares, unsecured with additional personal guarantee totaling R\$ 1,000,000.

The Debentures will have a personal guarantee as a surety granted by a wholly owned subsidiary and will be the subject of a public offer for distribution in accordance with the Resolution 160 of the Securities and Exchange Commission, dated July 13, 2022, and other applicable legal and regulatory provisions, under the firm guarantee regime for the total amount of the issue. The offer will be aimed exclusively at professional investors, as defined in Article 11 of CVM Resolution 30, of May 11, 2021.

The issue will be carried out in a single series, and the debentures will be entitled to interest corresponding to 100% of the accumulated change in the average daily DI rates (DI Rate), compounded by a surcharge of 1.60% p.a., based on 252 business days, maturing in 2031, with annual amortizations on May 10, 2029, 2030, and 2031.

The net resources to be raised will be used to re-profile the Company's financial liabilities. The completion of the Issue and the financial settlement of the Debentures are subject to the fulfillment of precedent conditions, as is customary in similar operations.

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Cândido Pinheiro Koren de Lima
President of the Board of Directors

Jorge Fontoura Pinheiro Koren de Lima
President

Luccas Augusto Adib
Vice-President and Chief Finance and Investor Relations Officer

Gilson Ramos
Chief Accounting Officer
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Rafael Sobral Melo
Actuary
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